Page 447 Page 449 1 Past Statute and Pat Com write-off? 1 that? 2 A. Yes. A. It would be for the first page and the actual 2 3 documents behind it showing the write-offs by Q. And did you similarly then post the associated 3 4 contractual allowances to the bad debt 4 allowance account? 5 5 Q. All right. Are all pages of Exhibit 138 after 6 A. Yes. 6 the first one -- well, that's not quite right. 7 Q. And those then partially offset the initial 7 Strike that. 8 Past Statute and bad debt write-off, right? 8 The third page of Exhibit 138, Bates 9 9 65, looks like just an earlier iteration of the 10 MR. RYAN: Let me mark, please, as 10 schedule that was completed in June, and that 11 Exhibit 138 the document with Bates Nos. 11 is the first page, right? DBR-RS-0063 through 71. 12 12 A. Yes. That would have been as of March when 13 13 Coopers would have been in here for their 14 (Deposition Exhibit 138 marked for 14 prelim audit. So they would have received it 15 identification.) 15 at that time as well. 16 - - - -16 Q. Okay. Apart from Bates 63 and 65, are the 17 BY MR. RYAN: 17 other pages in Exhibit 138 documents that were 18 Q. Do you recognize the schedule on the first page 18 created by the patient financial services 19 of Exhibit 138, Ms. Schaffer? 19 group? A. Yes. 20 20 A. Yes. Q. What is it? 21 21 Q. And they then provided those documents to you A. This is a summary of the Past Statute and Pat 22 22 in your capacity as the person in the general 23 Com write-offs that occurred in fiscal 1997. 23 accounting department responsible for accounts 24 and it also shows the contractual reserve that 24 receivable issues? 25 we would have had on those write-offs, and the 25 A. Yes. Page 448 Page 450 1 final column is the net unreserved balance of Q. Was Mr. Gedman, in your understanding, in 2 the write-off. 2 charge of the Past Statute and Pat Com 3 Q. Okay. So this middle section is what we've 3 write-off project? And I'm asking only because 4 talked about already, the associated 4 lots of these documents seem to come from him. 5 contractual allowances that you identified? 5 A. I think Greg Snow was probably in charge, but 6 A. Yes. 6 Bill Gedman was responsible for reporting what 7 Q. And those totalled \$19 and a half million or 7 had happened. 8 so? 8 Q. Do you know who actually went through and 9 9 A. Correct. identified the accounts that needed to be 10 Q. So that the net effect of the Past Statute and 10 written off as part of this Past Statute and 11 Pat Com write-offs, in your understanding, was 11 Pat Com write-off project? 12 this \$60,456,059 figure in the bottom right? A. No. I know that it was Greg Snow's area, but I 12 13 A. Yes. 13 don't know who in his area did that. 14 Q. Now, there's some handwriting down at the 14 MR. RYAN: Let me mark, please, as 15 bottom. Is that your handwriting? 15 Exhibit 139 the document at Bates DBR-RS-0233 16 16 A. Yes. through 0243. 17 Q. Could you read that for us, please? 17 A. Given to Kristen during FY '97 audit. 18 18 (Deposition Exhibit 139 marked for 19 Q. Did you make that note on the document in 1998 19 identification.) 20 20 when you gave the document to the SEC? 21 A. Yes. 21 BY MR. RYAN: 22 Q. And Kristen is Kristen Heinlein? 22 Q. Do you recognize Exhibit 139, Ms. Schaffer? A. Yes. 23 23 Α. Yes. 24 Q. Did you intend that note just to refer to this 24 Q. What is it? 25 first page of Exhibit 138 or to more than just 25 This is a memo from Dan Cancelmi to Steve

Page 557 COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET
I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, June 6, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change Reason for Change Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me this day of, 2002. Notary Public AKF Reference No. JB70547
•

```
Page 558
          IN THE UNITED STATES DISTRICT COURT FOR THE
1
               WESTERN DISTRICT OF PENNSYLVANIA
2
3
    THE OFFICIAL COMMITTEE OF
    UNSECURED CREDITORS OF
    ALLEGHENY HEALTH, EDUCATION &
    RESEARCH FOUNDATION,
5
               Plaintiff,
6
                                          Civil Action
 7
                   -vs-
                                          No. 00-684
    PRICEWATERHOUSECOOPERS, L.L.P. )
 8
               Defendant.
 9
10
11
                           VIDEO TAPE
              DEPOSITION OF: ROBIN R. SCHAFFER
12
                          VOLUME III
13
14
                               July 23, 2002
                      DATE:
15
                               Tuesday, 9:12 a.m.
16
                  LOCATION:
                               MANION McDONOUGH & LUCAS
17
                               14th Floor, USX Tower
                               Pittsburgh, PA 15219
18
                               412-232-0200
19
                  TAKEN BY: Defendant
20
21
               REPORTED BY: Claire Gross, CRR, RDR
                               Notary Public
22
                               AKF Reference No. Cg71172
23
24
25
```

Page 591	Page 5
on what's being posted in the billing system.	1 adjusted against the current budget of
But I don't really recall what we used that	2 receivables where the bad debt reserve is
· · · · · · · · · · · · · · · · · · ·	3 pretty light normally.
for specifically. Q. All right. So looking at account 1205010,	4 Q. Now, if you could turn, please, to the second
	5 page of Exhibit 288, and look down at the
KHPE was Keystone Health Plan East?	6 accounts for Hahnemann University Hospital.
A. Correct. O. And account 1205015 USHC was U.S. Healthcare?	7 Do you see account 1205013, which is
•	8 described as HIP NJ cap clearing?
A. Correct.	9 A. Yes.
Q. And 1205016 DC 33 was District Counsel	10 Q. Does that relate to the HIP New Jersey health
No. 33?	11 plan?
A. Correct.	12 A. Yes.
Q. That was labor union?	1
A. Yes.	
Q. 1205020, that relates to Health Partners;	
right?	15 A. Yes.
A. Correct.	16 Q. Is that the large capitation clearing account
Q. So basically all these clearing accounts from	17 amount at Hahnemann that you can recall
1205000 and up really should be zero at	18 discussing with Kristen Heinlein you
year-end except for the kind of timing	19 mentioned the first day of your deposition?
difference that you explained; right?	20 A. Yes.
A. Correct.	21 Q. Because I think the first day I think you
O. So these are cash amounts that eventually are	22 said you thought that was the DC 33 clearing
going to be posted to some other account?	23 account, and the schedule seemed to show it
A. They will eventually the cash that we	24 was the HIP New Jersey clearing account?
receive will be posted against the patient	25 A. Actually, I'm not sure what I said the first
	MANHATTAN REPORTING CORP., A LEGALINK COMPANY
Page 592	, Page
A/R accounts 1201000, and the offset, you	Page 1 day, but when Kristen was asking me about
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit	Page day, but when Kristen was asking me about this account, I knew it was the HIP New
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it.
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable.	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97?
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right?	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct,	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct,	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes.	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side.
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right?	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes.	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement for bad debt allowance was?	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to relieve that we would have debited this
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement for bad debt allowance was? A. No. But normally since the patient receipts	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to relieve that we would have debited this account and credited income.
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement for bad debt allowance was? A. No. But normally since the patient receipts are posted on a timely basis, the lag is	Page day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to relieve that we would have debited this account and credited income. Because we didn't know what portion
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement for bad debt allowance was? A. No. But normally since the patient receipts are posted on a timely basis, the lag is normally like a one or two-day lag. So most	l day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to relieve that we would have debited this account and credited income. Because we didn't know what portion was hospital, we were trying to be
A/R accounts 1201000, and the offset, you normally debit the 1205 account and credit the control A/R account to reduce the A/R that's in the billing system. So it's a wash between within the patient accounts receivable. Q. All right. And to the extent that the cash clearing account hasn't been cleared out and netted to zero, the accounts receivable are somewhat overstated; is that right? A. With cash clearing, that would be correct, yes. When you get into the PIP it's a different story, but cash clearing, yes. Q. As a result because of how the bad debt allowance methodology worked, as a result the bad debt allowance required by formula would be slightly overstated; right? A. Yes. Q. Did you ever attempt to do a calculation to see how material that formula overstatement for bad debt allowance was? A. No. But normally since the patient receipts are posted on a timely basis, the lag is	day, but when Kristen was asking me about this account, I knew it was the HIP New Jersey account because of the situation that was going on with it. Q. All right. Do you recall what was going on with the Hahnemann University Hospital HIP New Jersey capitation clearing account at June 30, '97? A. Yes. The issue with this was even though the hospital received 100 percent of the money related to HIP New Jersey, not all of the money was revenue for the hospital. A portion of it belonged to profee or the physician side. Because the agreement was somewhat hard to interpret and we were having trouble getting our hands on it, we could not determine at year-end how much of that was our income on the hospital side because to relieve that we would have debited this account and credited income. Because we didn't know what portion was hospital, we were trying to be conservative by believing the entire balance in the capitation clearing account until we

could determine what belonged on the hospital and what belonged on the physician side. Q. But all of the income from the HIP New Jersey account belonged to AHERF; right? A. Yes. 5	
and what belonged on the physician side. Q. But all of the income from the HIP New Jersey account belonged to AHERF; right? A. Yes. 5	Q. And are the schedules on pages L and M
Q. But all of the income from the HIP New Jersey account belonged to AHERF; right? A. Yes. 5	sometimes referred to as bad debt roll
account belonged to AHERF; right? A. Yes. 4 5	forwards?
A. Yes.	A. Yes.
	Q. Now, do you see I think every one of these
Q. It was only a question as to which part of	pages has a computer file name in the bottom
AHERF?	left-hand corner?
A. That's correct.	A. Yes.
Q. And so that entire \$1,113,000 amount at June	Q. And they all appear to be in a drive S. Do
30, '97, was income to AHERF; right?	you see that?
A. From what I can remember, yes. I don't	A. Yes.
believe any of it belonged outside of the	
3 system.	subdirectory is PAP A/R?
Q. And so leaving it in the capitation clearing	A. Yes.
account like this was very conservative; 15	Q. Does that stand for Pittsburgh accounting and
5 right? 16	patient accounts receivable?
7 A. Yes, yes.	A. Yes.
MR. JONES: Anthony, as we go to a	Q. And is that a directory that you and your
new exhibit, do you mind if we go to a short	staff used for schedules that you created? A. Yes.
break? 20 MR RVAN: Not at all Let's just go 21	A. Yes. Q. And then the next subdirectory is June 1997
With Reference and Does just go	to reflect that all these schedules are as of
off the record.	June 30, 1997; right?
THE VIDEOGRAM HERE. We show going	A. Yes.
off the record. The time on the screen is 1002.	Q. So the schedule on page A shows all the
Page 596	Page 598
1	inpatient accounts receivable at Bucks County
2 (There was a recess in the proceedings.)	Hospital broken down by payor category and by
3	aging category; is that right?
	A. Yes.
THE VIDEOGRAPHER: We are now back on 4	Q. And then the second page, Schedule B, shows
the record. The time on the screen is 10:16.	•
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as	the associated bad debt reserve calculated
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates 7	the associated bad debt reserve calculated for the balances on schedule A; is that
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M.	the associated bad debt reserve calculated for the balances on schedule A; is that right?
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. 8 9	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes.
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for 10 identification.)	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) 11 12	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right?
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN:	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes.
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: I realize some of these schedules may have	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: I realize some of these schedules may have some notes on them that were added, but	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: 13 BY MR. RYAN: 13 BY MR. RYAN: 14 Q. I realize some of these schedules may have some notes on them that were added, but basically do you recognize the schedules in	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right?
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: 13 BY MR. RYAN: 13 BY MR. RYAN: 13 BY MR. RYAN: 14 Q. I realize some of these schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer?	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes.
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: 13 BY MR. RYAN: 13 BY MR. RYAN: 13 BY MR. RYAN: 14 Q. I realize some of these schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? 8 A. Yes.	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for dentification.) The property of these schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they?	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated?
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) The schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they? A. Pages I don't know how the pages work. A	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated? A. Correct.
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) BY MR. RYAN: Q. I realize some of these schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they? A. Pages I don't know how the pages work. A through K are the in and outpatient bad debt	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated? A. Correct. Q. And that process of going from gross accounts
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) Let a correct the schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they? A. Pages I don't know how the pages work. A through K are the in and outpatient bad debt reserve calculations for Bucks County	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated? A. Correct. Q. And that process of going from gross accounts receivable to net accounts receivable for the
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) Let a consider the schedules may have some notes on them that were added, but basically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they? A. Pages I don't know how the pages work. A through K are the in and outpatient bad debt reserve calculations for Bucks County Hospital, and L and M are the summary of the	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated? A. Correct. Q. And that process of going from gross accounts receivable to net accounts receivable for the outpatient accounts is shown on the schedule
the record. The time on the screen is 10:16. MR. RYAN: Let me mark, please, as Exhibit 289 a set of schedules with Bates numbers CL013544 A through M. (Deposition Exhibit 289 marked for identification.) Let a consider the schedules may have some notes on them that were added, but saically do you recognize the schedules in Exhibit 289, Ms. Schaffer? A. Yes. Q. What are they? A. Pages I don't know how the pages work. A through K are the in and outpatient bad debt reserve calculations for Bucks County Hospital, and L and M are the summary of the bad debt allowance or reserve accounts for	the associated bad debt reserve calculated for the balances on schedule A; is that right? A. Yes. Q. And Schedule C shows the outpatient accounts receivable by payor category by aging category carried at gross; right? A. Yes. Q. And then the next schedule on page D shows the same outpatient accounts receivable but reduced to net; right? A. Yes. Q. So that's net of any contractual allowances that you and your staff calculated? A. Correct. Q. And that process of going from gross accounts receivable to net accounts receivable for the outpatient accounts is shown on the schedule

	Page 599			Page 60
Q	. And then the schedule on Bates page F shows	i		review process.
~	the bad debt reserve that's been calculated	2	Q.	All right. So that these are notes that your
	off the net outpatient accounts receivable	3		staff drafted and that you edited and that
	balances; right?	4		were on the schedule when you provided it to
Α		5		Coopers & Lybrand?
Q		6	A.	Yes.
~	loss percentages for the inpatient accounts	7	Q.	Now, do you see note F refers to a \$3 million
	by payor category and aging category; right?	8	•	transfer from Graduate?
Α	* * *	9	A.	Yes.
Q		10	Q.	And that was recorded for March 1997; right?
•	loss percentages for the outpatient accounts;	11	A.	Yes.
	right?	12	Q.	And note G refers to a \$4 million transfer
Α	_	13		from Graduate?
Q		14	A.	Yes.
•	an additional reduction to net for certain	15	Q.	And that was recorded for April 1997; right?
	payor categories; is that right?		À.	Yes.
A	· · · · · · · · · · · · · · · · · · ·		Q.	Those are the only amounts that are
Λ	contractual percentages that we used to come	18	•	identified on this schedule as transfers from
	up with page if I can find it here page	19		Graduate; right?
	D. So it's just summarizing wait. I'm		Α.	Yes.
	sorry. They might be inpatient.		Q.	And those \$3 million and \$4 million amounts
	No. They are outpatient. That's	22	`	totalling \$7 million are the Bucks County
;	just summarizing the contractual allowance	23		portion of the \$50 million reserve transfer;
ļ	percentages we are using to get to net	24		right?
;	receivables before bad debt is calculated.	25	A.	Yes.
	Page 600			Page 6
ιÇ		1	Q.	Are there additional reserve transfers from
		1 2	Q.	Are there additional reserve transfers from Graduate that are in any way included in the
	Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net		Q.	Are there additional reserve transfers from
	Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated	2	Q.	Are there additional reserve transfers from Graduate that are in any way included in the
	Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right?	2 3		Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule?
A	 Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? Correct. 	2 3 4	A.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there
A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the 	2 3 4 5	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay.
A	 Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? Correct. 	2 3 4 5 6	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there
A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad 	2 3 4 5 6 7	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall
A	 Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. 	2 3 4 5 6 7 8	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at
A () (Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. 	2 3 4 5 6 7 8 9	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts
A ()	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked 	2 3 4 5 6 7 8 9	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to
A Q A A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff 	2 3 4 5 6 7 8 9 10	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings.
	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? 	2 3 4 5 6 7 8 9 10 11 12	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the
	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. 	2 3 4 5 6 7 8 9 10 11 12 13	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them
	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. 	2 3 4 5 6 7 8 9 10 11 12 13 14	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like
	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll 	2 3 4 5 6 7 8 9 10 11 12 13 14 15	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called
A A A A A A A A A A A A A A A A A A A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was
A A A A A A A A A A A A A A A A A A A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording.
A C C C C C C C C C C C C C C C C C C C	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Q. Those are notes that you wrote for this 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was
A Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Q. Those are notes that you wrote for this schedule, aren't they? 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21 million of it was from Graduate, 4 million
A A A A A A A A A A A A A A A A A A A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Q. Those are notes that you wrote for this schedule, aren't they? A. They are notes that after I reviewed the 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21
A A A A A A A A A A A A A A A A A A A	 Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Those are notes that you wrote for this schedule, aren't they? A. They are notes that after I reviewed the first draft of these schedules from my staff, 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21 million of it was from Graduate, 4 million
A A A A A A A A A A A A A A A A A A A	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Q. Those are notes that you wrote for this schedule, aren't they? A. They are notes that after I reviewed the first draft of these schedules from my staff, I tried to go in and make the notes 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	A. Q. A.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21 million of it was from Graduate, 4 million was within DVOG. We didn't break that out as in detail on here, the 4 versus the 21.
2 A A A A A A A A A A A A A A A A A A A	 Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? Yes. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? Yes. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? Yes. Those are notes that you wrote for this schedule, aren't they? They are notes that after I reviewed the first draft of these schedules from my staff, I tried to go in and make the notes consistent for all the hospitals, so I helped 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	A. Q.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21 million of it was from Graduate, 4 million was within DVOG. We didn't break that out as in detail on here, the 4 versus the 21. So the memo you're talking about I think is
; ; ; ; ; ; ; ;	 Q. Okay. And then the schedule on Bates page J shows the inpatient accounts receivable net of the bad debt reserve that is calculated earlier; right? A. Correct. Q. And the schedule on Bates page K shows the outpatient account receivable net of the bad debt reserve calculated earlier; right? A. Yes. Q. In all the schedules that we've just walked through are ones that you and your staff prepared that you then provided to Coopers & Lybrand for their audit? A. Yes. Q. Now, looking at the inpatient bad debt roll forward on Bates page L, do you see the notes down at the bottom, lower case A through I? A. Yes. Q. Those are notes that you wrote for this schedule, aren't they? A. They are notes that after I reviewed the first draft of these schedules from my staff, I tried to go in and make the notes 	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	A. Q. A.	Are there additional reserve transfers from Graduate that are in any way included in the numbers on this schedule? Yes and no. Okay. Never easy. If you look at footnote I, there is an item listed as \$59,000 for a shortfall adjustment. If you recall looking back at some of Dan's, after booking a 50 there was still a \$25 million shortfall related to writeoff after all the past statute accounts and the continued deterioration of the agings. Part of the shortfall adjustment, the reserves came from Graduate. Part of them came from the individual DVOG hospitals like within DVOG, which is why they were called shortfall adjustments. Basically that was taken from Dan's memo, that wording. So of the \$25 million, I think 21 million of it was from Graduate, 4 million was within DVOG. We didn't break that out as in detail on here, the 4 versus the 21.

	Page 603			Page 60
	Exhibit 43, a July 3, '97 memo from	1	Q.	And we see earlier when we compared various
	Mr. Cancelmi; is that right?	2		schedules and looked at your handwritten note
٨	Yes, correct.	3		to Mr. Lisman, that the capital that the
Α.	That shows the \$25,038,000 bad debt reserve	4		use of capitalized interest reserves to cover
Q.		5		the bad debt shortfall was accompanied by a
	shortfall on the first page?	6		credit to bad debt expense; right?
Α.	Yes.	7	Α.	Debit to bad debt expense
Q.	And then attachment A on the second page is	8	Q.	Where the use of the Graduate reserves was
	entitled Reserves Used to Cover Bad Debt	9	Q.	not accompanied by any entry to bad debt
	Shortfall?			•
A.	Yes.	10		expense?
Q.	Again, I apologize that the numbers are a	11	A.	Correct.
	little bit cut off on the second page in the	12	Q.	So that we know from other documents that
	last column, but I think if we consult the	13		this \$59,000 shortfall adjustment in note I
	handwritten version that you received from	14		was expensed, but there is no way to tell
	Mr. Cancelmi on the third page of Exhibit	15		that from the face of the schedule; right?
	284, I think we'll see a \$25,331,000 in total		A.	Correct.
	reserves utilized?	17	Q.	So if we go, please, to the next page, Bates
Α.	Total reserves utilized, yes. The bad debt	18		page M in Exhibit 289, this is the outpatient
	piece was the \$25,083,000, which is at the	19		bad debt roll forward for Bucks County;
	top.	20		right?
Q.	That includes certain reserves that were	21	A.	Yes.
-	existing DVOG reserves, namely the	22	Q.	And there are no amounts on this schedule
	capitalized interest reserves and the	23		that are identified as transfers from
	depreciation reserves at Hahnemann University	24		Graduate, are there?
		25	Α.	No.
i	Hospital?	1		
N	MANHATTAN REPORTING CORP., A LEGALINK COMPANY			MANHATTAN REPORTING CORP., A LEGALINK COMPANY
N	MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 604			, Page 6
A.	Page 604 Correct.	1 2	Q.	Page 6 Are there any amounts on the schedule that,
	Page 604 Correct. And then beginning where it says Graduate	2		Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from
A. Q.	Page 604 Correct.	2 3		Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified
A.	Page 604 Correct. And then beginning where it says Graduate	2 3 4	Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such?
A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were	2 3 4 5	Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes.
A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct.	2 3 4 5 6	Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that?
A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to	2 3 4 5 6 7	Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account
A. Q. A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct.	2 3 4 5 6 7 8	Q. A. Q. A.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment.
A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt	2 3 4 5 6 7 8 9	Q. A. Q. A.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H?
A. Q. A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to	2 3 4 5 6 7 8 9	Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes.
A. Q. A. Q. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes.	2 3 4 5 6 7 8 9	Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H?
A. Q. A. Q. I. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall	2 3 4 5 6 7 8 9 10	Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes.
A. Q. A. Q. 1 Q. 22	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in	2 3 4 5 6 7 8 9 10	Q. A. Q. A. Q. A.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to
A. Q. Q. Q. 11 Q. 22	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million	2 3 4 5 6 7 8 9 10 11 12	Q. A. Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes.
A. Q. Q. Q. 11 Q. 22	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount?	2 3 4 5 6 7 8 9 10 11 12 13	Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to
A. Q. A. Q. Q. 33 4 5 A.	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct.	2 3 4 5 6 7 8 9 10 11 12 13 14	Q. A. Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000
A. Q. A. Q. 1 Q. 2 3 3 4 4 5 A. 6 Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Q. A. Q. A. Q. A. Q. A. Q.	Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right?
A. Q. A. Q. Q. 1 Q. 2 3 3 4 4 5 5 A. 6 6 Q. 7	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Q. A. Q. A. Q. A. Q. A.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes.
A. Q. A. Q. Q. Q. A. Q. 7. 8.	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate;	2 3 4 4 5 6 6 7 7 8 9 100 111 122 13 14 15 16 17 18 8	Q. A. Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes.
A. Q. A. Q. Q. A. Q. 7 A. Q. 7 7 8 8 9 9	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there?	2 3 4 4 5 6 6 7 8 8 9 100 111 122 133 144 155 166 177 188 199 199 199 199 199 199 199 199 199	Q. A. Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was
A. Q. Q. G. A. Q. G. Q. G. A. Q. G. G. Q. G. G. Q.	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no.	2 3 3 4 4 5 5 6 6 7 7 8 8 9 100 111 122 133 144 155 166 17 18 19 200	Q. A. Q. A. Q. A. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right?
A. Q. Q. S. Q. Q. S. Q. Q. S. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no. Now, if we look at attachment A to	2 3 3 4 4 5 5 6 6 7 7 8 8 9 100 111 122 133 144 155 166 17 18 19 20 21	Q. A. Q. A. Q. A. Q. A. Q. A. A. Q.	Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right? Correct.
A. Q. A. Q. A. Q. A. Q. A. Q. A. A. Q. A. Q. A. A. Q. A. A. Q. A. A. Q. Q. A. A. A. Q. Q. Q. A. A. A. Q.	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no. Now, if we look at attachment A to Mr. Cancelmi's July 3 memo, the \$59,000 is	2 3 4 4 5 6 6 7 8 8 9 100 111 122 133 144 155 166 177 18 19 20 21 22	Q. A. Q. A. Q. A. Q. A. Q. A. Q. Q. A. Q. Q. A. Q. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right? Correct. But there is no way to tell from the
A. Q. A. Q. Q. A. 1 Q. 2 3 3 4 4 A. Q. 2 2 3 3 4 4 A. Q. 3 5 A. Q. 3 6 6 Q. 3 7 8 8 9 9 0 A. 3 6 6 Q. 3 7 8 8 9 9 0 A. 3 6 6 Q. 3 7 8 8 9 9 0 A. 3 7 9 9 9 9 0 A. 3 7 9 9 9 9 0 A. 3	Page 604 Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no. Now, if we look at attachment A to Mr. Cancelmi's July 3 memo, the \$59,000 is shown at Bucks County Hospital as the use of	2 3 4 4 5 6 6 7 8 8 9 100 111 122 133 144 155 166 177 18 19 20 21 22 23	Q. A. Q. A. Q. A. Q. A. Q. A. Q. Q. A. Q. Q. A. Q. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right? Correct. But there is no way to tell from the outpatient bad debt roll forward provided to
A. Q. A. Q.	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no. Now, if we look at attachment A to Mr. Cancelmi's July 3 memo, the \$59,000 is shown at Bucks County Hospital as the use of capitalized interest reserves; right?	2 3 4 4 5 6 6 7 7 8 8 9 100 111 122 133 144 155 166 177 18 19 20 21 22 23 24	Q. A. Q. A. Q. A. Q. A. Q. A. Q. Q. A. Q. Q. A. Q. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right? Correct. But there is no way to tell from the outpatient bad debt roll forward provided to Coopers & Lybrand that the \$1,500,000
A. Q.	Correct. And then beginning where it says Graduate reserves down through the end, those were reserves transferred from the Graduate entities; right? Correct. Now, Mr. Cancelmi in his memo referred to that as reserves used to cover bad debt shortfall; right? Yes. What you're saying is the \$59,000 shortfall adjustment in note I on Bates page L in Exhibit 289 is a portion of that \$25 million amount? Correct. There is no way from the face of this schedule itself to determine whether that \$59,000 amount was transferred from Graduate; there? From the face of this schedule, no. Now, if we look at attachment A to Mr. Cancelmi's July 3 memo, the \$59,000 is shown at Bucks County Hospital as the use of capitalized interest reserves; right?	2 3 4 4 5 6 6 7 8 8 9 100 111 122 133 144 155 166 177 18 19 20 21 22 23	Q. A. Q. A. Q. A. Q. A. Q. A. Q. Q. A. Q. Q. A. Q. Q. A. Q.	Page 6 Are there any amounts on the schedule that, in fact, were reserves transferred from Graduate even though they are not identified as such? Yes. What amount is that? The 1.5 million that's labeled Account Shortfall Adjustment. That's in note H? Yes. For June 1997? Yes. And if we look now again at attachment A to Exhibit 43, we can see that same \$1,500,000 amount in reserve transferred from the Graduate Hospital; right? Yes. And we know from the other documents that we've looked at today that that amount was not expensed at Bucks County; right? Correct. But there is no way to tell from the outpatient bad debt roll forward provided to

Page 607	Page 609
reserves from Graduate; is there? A. Correct, no. Q. And there is no way to tell that that amount was not expensed as opposed to the shortfall adjustment in the inpatient account which, in fact, was expensed; correct? A. Correct. MR. RYAN: Let me mark, please, as Exhibit 290 a set of schedules with Bates numbers CL013556 A through M. (Deposition Exhibit 290 marked for identification.) BY MR. RYAN: Q. Do you recognize the schedule in Exhibit 290, Ms. Schaffer? A. Yes. Q. What are they? A. These are the same schedules we just looked at before in Exhibit 289, but they are for Elkins Park and not Bucks County, as we looked at before. 4 O. So these are again schedules that you or your	split not based on any actual data. It was just we knew we weren't going to get 100 percent of charges, so we tended to assume 80 percent. So I don't believe I would have said that it was historical data from patient accounting. Vou don't recall telling anyone from Coopers Lybrand, do you, that you had any historical data that was inconsistent with the 80-20 split? A. No. If you could turn, please, to the Elkins Park inpatient bad debt roll forward on Bates page L. Now, this schedule shows a \$3 million transfer from Graduate in note G for March, 1997; right? A. Yes. And then a \$5 million transfer from Graduate in note H for April 1997? A. Correct. That \$8 million amount is the only amount that's identified on the schedule as a transfer from Graduate; right? A. Yes. And the next page, Bates page M, which is the
18 A. Yes. 19 Q. What are they? 20 A. These are the same schedules we just looked 21 at before in Exhibit 289, but they are for 22 Elkins Park and not Bucks County, as we 23 looked at before. 24 Q. So these are again schedules that you or your 25 staff prepared and that you reviewed as part 26 MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 608 1 of your calculation of the bad debt allowance 2 required for Elkins Park on June 30, '97? 3 A. Yes. 4 Q. And you then provided these schedules to 5 Coopers & Lybrand for their audit? 6 A. Yes. 7 Q. Do you see on the very first page here there 8 is a tick mark B by an entry for 20 percent? 9 A. Yes.	18 Q. And then a \$5 million transfer from Graduate 19 in note H for April 1997? 20 A. Correct. 21 Q. That \$8 million amount is the only amount 22 that's identified on the schedule as a 23 transfer from Graduate; right? 24 A. Yes.
 Q. And that relates to contractual allowance on so-called commercial accounts; is that right? A. Yes. Q. And do you see then tick mark B reads Based upon historical data from patient accounting? A. Yes. Q. Is that tick mark B something that was already on the schedule when you provided it to Coopers? A. I don't think it was. Q. All right. Do you believe that you told someone from Coopers & Lybrand that the 20 percent contractual allowance for commercial accounts was based upon historical data from patient accounting? A. No, only because we always just used an 80-20 MANHATTAN REPORTING CORP., A LEGALINK COMPANY 	11 outpatient? 12 A. Yes. 13 Q. And there is no way to tell from these 14 schedules how much of that amount involved 15 the transfer of reserves from Graduate, is 16 there? 17 A. No. 18 Q. And there is no way to tell from these 19 schedules which portion of the so-called 20 shortfall adjustment was expensed and which 21 portion was not expensed; right? 22 A. Correct. 23 MR. RYAN: Can we mark, please, as 24 Exhibit 291 a set of schedules with Bates 25 numbers CL013568 A through N as in Nancy. MANHATTAN REPORTING CORP., A LEGALINK COMPANY

(Deposition Exhibit 291 marked for identification) BY MR. RYAN: O. Do you recognize the schedules in Exhibit 291, Mr. Schaffer? A yes. O. What are they? A Again, these are similar to Exhibits 259 and 290, except they are for Hahmemann Hospital, and they are the in and outpatient bad debt allowances for the DVOG hospitals at June 20, except believed as part of your calculation and that you reviewed as part of their audit? A Yes. Q And the previous we expend and sparts page manufacture and that you reviewed as part of their audit? A Yes.	Page 611	Page 613
Coppesition Exhibit 291 marked for identification.) 4 5 5 5 5 5 5 5 5 5		read had debt shortfall adjustments; right?
Opensition Exhibit colors September		
identification.) BY MR. RYAN: 29		
BY MR. RYAN: Q. Do you recognize the schedules in Exhibit 291, Ms. Schaffer? A. Yes. Q. What are they? A. Again, these are similar to Exhibits 289 and 290, except they are for Hahnemann Hospital, and they are the in and outpatient bad debt reserve acleuations and the in and outpatient bad debt roll forward analyses. Q. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG not the bad debt allowances for the DVOG not the bad debt allowances for the DVOG not the bad debt allowances for the DVOG A. Yes. Q. And you then provided the schedules to coopers & Lybrand as part of their audit? A. Yes. Q. And you fine provided the schedules to coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 A ves. Q. And that refers to a 55 million amount in Amrch and a 55 million amount in April? A. Yes. Q. And that refers to a 55 million amount in Amrch and a 55 million amount in April? A. Yes. Q. And minyour understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transferr? Q. A ves. Q. Ard in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transferr? Q. A ves. Q. Ard the your transferred from Graduate? Q. Ard debtoro of Bates page Fabows on the top the bad debt register of from Graduate? Q. Ard debtoro of Graduate? Q. And where are bose identified? Q. And the some are notes that in each case just Q. And the some are notes that in each case just Q. And where are those identified? Q. And the some are notes that in each case just Q. And the some are notes that in each case inst	l l	4 looking at these schedules how much of the
Q. Do you recognize the schedules in Exhibit 291, Ms. Schaffer? A. Yes. Q. What are they? A. Again, these are similar to Exhibits 289 and 290, except they are for Hahnemann Hospital, and they are the in and outpatient bad debt reserve calculations and the in and outpatient bad debt foll forward analyses. Q. As with the previous two exhibits, hese are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 97? A. Yes. Q. And you then provided the schedules to Coopers & Lybrand so part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in American and a \$5 million amount in April? A. Yes. Q. And in the reary way you can tell not either of the substitute of the company way of the shortfull adjustments were expense? B. Mas in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in American and a \$5 million amount in April? A. Yes. Q. And in the refers to a \$5 million amount in Diversity Hospital's portion of the \$50 million reserve transferred from Graduate? A. Yes. Q. And where are those identified? A. Yes. Q. And there are not statin in each case just A. Yes. Q. And there are not statin in each case just A. Yes. Q. And there are statin in each case just A. Yes. Q. And there are showed the Mand footnote D on schedule N. Yes. A. Yes. A. Yes. Q. And there are those identified in each case just		5 \$691,047, amount in the other column for the
291, Ms. Schaffer? A Yes. Q. What are they? A Again, these are similar to Exhibits 289 and 290, except they are for Hahnemann Hospital, and they are the in and outpatient bad debt roll forward analyses. Q. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 97? A Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A Yes. Q. Now, if you could look, please, as the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY May have the first of the schedules to Transfer of reserves from Graduate? M as in Mary, do you see note E states Transfer of reserves from Graduate? A Yes. Q. And that refers to a \$5 million amount in April? A Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Are there any way that you can tell from looking at these schedules had you provided to Coopers & Lybrand how much of the shortfall as adjustments were expense? No. Is there any way that you can tell from looking at these schedules had you provided to to Coopers & Lybrand how much of the shortfall as adjustments were expense? No. Is there are you you can tell from looking at these schedules had you provided to to Coopers & Lybrand how much of the shortfall as adjustments were expense? No. MR. RYAN. Let me mark, please, as Exhibit 292 marked for identification. No. MR. RYAN. Q. Man MAHATTAN REPORTING CORP., a LEGALINK COMPANY MANHATTAN REPORTING CORP., a LEGALINK COMPANY Page 612 Page 612 Page 612 Page 612 A Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Are there any other amounts either on the interview of the shortfall as adjustments were expense? No. D. Apath was a Span and of their audit? A Yes. Q. Are there any only out and exhault for the shortfall as adjustments were	BY MR. RYAN:	6 inpatient bad debt allowance for June was a
A Yes. (a) What are they? (b) What are they? (c) What are they? (c) What are they? (e) What are they? (e) Again, these are similar to Exhibits 289 and 290, except they are for Hahnemann Hospital, and they are the in and outpatient bad debt reserve calculations and the in and outpatient bad debt of the florward analyses. (c) As with the previous two exhibits, these are schedules that you roverlead and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '97? (c) And you then provided the schedules to coopers & Lybrand as part of their audit? (c) A Yes. (c) Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP, A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A Yes. (d) And that refers to a \$5 million amount in March and a \$5 million amount in Agril? (e) A Yes. (e) And that refers to a \$5 million amount in March and a \$5 million amount in Agril? (f) A. Yes. (g) And in your understanding is that Hahnemann Unjiversity Hospital's portion of the \$50 million reserve transfer? (g) A Yes are in contact the are additional amounts that, in fact, were reserves transferred from Graduate? (has you see note E states Transfer of reserves transferred from Graduate? (has you could look, please, at the inpatient bad debt roll forward to a \$5 million amount in March and a \$5 million amount in Unjiversity Hospital's portion of the \$50 million reserve transfer? (a) A Yes. (b) And the refers to a \$5 million amount in Agril? (a) A Yes. (b) And the previous from Caduate? (c) A Yes. (d) And the previous from Caduate? (e) A Yes. (f) A No. (g) And the previous from the interest the previous three exhibits for MCC and EPPL it's the bad debt residuals in and the previous three exhibits for mCC and EPPL it's the bad debt residuals in and the previous three exhibits for mCC and EPPL it's the bad debt residuals in and the previous three exhibits for m	Q. Do you recognize the schedules in Exhibit	7 transfer of reserves from Graduate?
Q. What are they? A 2agin, these are similar to Exhibits 289 and 2agin, these are similar to Exhibits 289 and 2agin, these are similar to Exhibits 289 and 2agin, and they are the in and outpatient bad debt roll forward analyses. Q. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 977 A Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the impairent bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY May as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in April? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transferred from Graduate? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transferred from Graduate? A. Yes. Q. Are there any outpatient bad debt roll forward in the other column of the outpatient bad debt roll forward in the other column of the outpatient bad debt roll forward in the other column of the outpatient bad debt roll forward in the other column of the software reserves transferred from Graduate? Page 612 Page 612 Page 612 Page 612 Page 612 Page 612 A wes. Q. And do you see note E states Transfer of reserves from Graduate? 3. Q. And that refers to a \$5 million amount in April? 4. Yes. Q. And where are those identified on the see the same schoolides we have just looked at in the previous three exhibits for MCC and EPPL It's the bad debt reserve calculation and the roll forward for EPPL; right? 15. A. No. 16. Q. And there are those identified? 17. A. No. 18. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? 18. A. Yes. 29. Q. And where are those identified? 29. Land the pre		
A Again, these are similar to Exhibits 289 and 290, except they are for hahnemann Hospital, 290 and they are the in and outpatient bad debt reserve calculations and the in and outpatient bad debt roll forward analyses. Q. As with the previous two exhibits, these are sechedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '97? Q. Are yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. And your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Are there are those identified? A. Yes. Q. Are there are those identified? Q. Are there are those identified? A. Yes. Q. And where are those identified? A. Yes. Q. And where are those identified? Q. Are those are notes that in each case just to schedule N. Yes. Q. And where are those identified? Q. And where are those identified? A. Yes. Q. And where are those identified? Q. And where are those identified? A. Yes. Q. And the bottom of Bates page F shows the bad 2. And the bottom of Bates page F shows the bad. A. Yes. Q. And the bottom of Bates page F shows the bad. A. Yes. Q. And the bottom of Bates page F shows the bad. A. Yes. Q. And the bottom of Bates page F shows the bad. A. Yes. Q. And the bottom of Bates page F shows the bad. A. Yes. Q. And the bottom of Bates page F shows the bad. A. Yes. Q. And they are notes that in each case just		9 Q. And is there any way that you can tell from
290, except they are for Hahnemann Hospital, and they are the in and outpatient bad debt reserve calculations and the in and outpatient bad debt roll forward for June was reserve that are calculations and the in and outpatient bad debt roll forward for June was reserve that they or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '972' 20 knoptials at June 30, '972' 20 knoptials at June 30, '972' 20 know, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A Yes. Q. And that refers to a \$5 million amount in April? A Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 I million reserve transferrd from Graduate? A Yes. Q. Are there any other amounts either on the impatient to outpatient bad debt roll forward in the pages. Do you recognize the schedule in Exhibit 292, Ms. Schaffer? A Yes. Q. Are there are those identified? A No. Do you believe that there are additional amounts tail, in fact, were reserves transferred from Graduate? A Yes. Q. And where are those identified? A No. Shade and the your can led the tof these subshules to outpatient bad debt roll forward for June was reserves that the pages. Do you recognize the schedule in Exhibit 292 marked for identification. BY MR. RYAN: 1 BY MR. RYAN: 1 BY MR. RYAN: 2 BY MR. RYAN: 3 Q. I applegize for the small type on some of the pages. Do you recognize the schedule in Exhibit 292, Ms. Schaffer? 4 Yes. 4 Yes. 4 Yes. 5 A Yes. 5 A Yes. 6 A Yes. 7 Q. What are they? 8 A Yes. 9 Q. And in your understanding is that Hahnemann of the interest that in the previous three exhibits for looked at in the previous three exhibits for looked a	A Again these are similar to Exhibits 289 and	looking at these schedules that you provided
and they are the in and outpatient bad debt reserve calculations and the in and outpatient bad debt roll forward analyses. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 977 A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Are there are yother amounts either on the impatient or outpatient bad debt roll forward in partient or outpatient bad debt roll forward in partient bad roll forward in partient bad partient bad roll forward in partient bad partient bad roll forward i	290 except they are for Hahnemann Hospital,	
reserve calculations and the in and outpatients and debt roll forward analyses. Q. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 977 A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M. As in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in American da \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. And an in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. And one where are those identified? A. No. Do you believe that there are additional amounts tat, in fact, were reserves transferred from Graduate? 15 A. No. 16 A. Yes. 27 C. For a total of S10 million? 28 A. Yes. Q. And an in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? 10 Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? 11 A. No. 12 Q. Do you believe that there are additional amounts tat, in fact, were reserves transferred from Graduate? 28 A. Yes. 29 Q. And where are those identified? 20 A. No. 21 Do you believe that there are additional amounts tat, in fact, were reserves transferred from Graduate? 22 A. And where are those identified? 23 A. No. 24 Sebates page F shows on the top the bad debt noll forward from the proper transferred from Graduate? 29 A. Yes. 20 And where are those identified? 20 A. No. 21 Department of the shortified of these page. Down recognize the schedules to murber and the proper transferred f	and they are the in and outpatient bad debt	
Outpatient bad debt roll forward analyses. A swith the previous two exhibits, these are schedules that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '97? A Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. For a total of \$10 million? A. Yes. Q. For a total of \$10 million? A. Yes. Q. For a total of \$10 million? A. Yes. Q. For a total of \$10 million? A. Yes. Q. For a total of \$10 million? A. Yes. D. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward in from cautate? A. Yes. D. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward from amounts that, in fact, were reserves transferred from Graduate? A. Yes. D. O. you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. D. O. you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. D. O. you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. D. A. Yes. A. No. B. O. A where are those identified? A. No. B. O. A where are notes that in each case just A. No. B. A. Yes. D. A. Yes	reserve calculations and the in and	outpatient bad debt foll forward for June was
Q. As with the previous two exhibits, these are schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, 97? A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in April? A. Yes. Q. And that refers to a \$5 million amount in April? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. A re there any other amounts either on the inpatient or outpatient bad debt roll forward from Graduate? A. Yes. Q. And where are those seed the three are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. Q. And where are those seed identified? A. No. A. Yes. Q. And where are those seed identified? A. Yes. Q. And where are those seed identified? A. Yes. Q. And where are those seed identified? A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And where are notes that in each case just A. Yes. Q. And wh	outpatient bad debt roll forward analyses.	
schedules that you or your staff prepared and that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '97? A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M. as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in April? March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? D. A. Yes. D. And in your understanding is that Hahnemann in fordunter that are identified as reserves transferred from Graduate? The control of the formard inpatient or outpatient bad debt roll forward inpatient or outpatient bad debt roll forward amounts that, in fact, were reserves transferred from Graduate? The control of the seem of the search o	O. As with the previous two exhibits, these are	
that you reviewed as part of your calculation of the bad debt allowances for the DVOG hospitals at June 30, '97? A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Are there any other amounts either on the impatient or outpatient bad debt roll forward in that are identified as reserves transferred from Graduate? A. Yes. Q. And where are those identified? A. No. MR. RYAN: Let me mark, please, as Eshibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 a set of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules with Bates numbers CL013\$80 A through G. (Deposition Exhibit 292 as exh of schedules wit	schedules that you or your staff prepared and	1 6.1 1
of the bad debt allowances for the DVOG hospitals at June 30, 977 A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Q. Ar tere any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. Q. And where are those identified? A. No. Schedule N. D. A. M.R. RYAN: Let me mark, please, as Exhibit 292 as est of schedules with Bates numbers CL013580 A through G. D. Page 612 D. M. M. R. RYAN: Let me mark, please, as Exhibit 292 as est of schedules with Bates numbers CL013580 A through G. D. Page 612 D. MRNHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 D. Wahat Tan REPORTING CORP., A LEGALINK COMPANY Page 612 D. Was Challes of the small type on some of the pages. Do you recognize the schedule in Exhibit 292, Ms. Schaffer? A. Yes. D. What are they? A. No. D. What are they? A. No. D. What are they? M. Correct. M. Correct. A. Yes. D. Was the main clinical campus of the McC and EPPI. It's the bad debt reserve calculation and the roll forward for in and outpatient. M. Correct. A. Yes. D. So Bates page F shows on the top the bad debt roll forward for EPPI; right? The Eastern Pennsylvania Psychiatric Institute? A. Yes. D. And the bottom of Bates page F shows the bad And the bottom of Bates page F shows the bad	that you reviewed as part of your calculation	
hospitals at June 30, '97? A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No. Q. And the were are those identified? A. No. Q. And the mark, please, as Exhibit 202 are of schedules with Bates numbers CL015380 A through G. Deposition Exhibit 292 marked for identification.) MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 BY MR. RYAN: 2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the pages. Do you recognize the schedule in pages.	of the bad debt allowances for the DVOG	
A. Yes. Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a 55 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Yes. Q. Yes. Q. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. Yes. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. A. Yes. And where are those identified? A. Yes. A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. A. Yes. And where are those identified? A. The Eastern Pennsylvania Psychiatric Institute? A. Yes. And the bottom of Baies page F shows the bad.	hospitals at June 30, '97?	
Q. And you then provided the schedules to Coopers & Lybrand as part of their audit? A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. Yes. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. Q. And where are those identified? A. Yes. A. In footnote F on schedule M and footnote D on schedule N. A. Yes. A. Yes. A. In footnote F on schedule M and footnote D on schedule N. A. Yes. A. Yes. A. In footnote F on schedule M and footnote D on schedule N. A. In footnote F on schedule M and footnote D on schedule N. A. Yes. A. Yes	A. Yes.	and the state of t
Coopers & Lybrand as part of their adult: A Yes. A Res. A Res. A Yes. A Yes. A Yes. A Man in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A Yes. A Yes. A Yes. A Yes. A Tethere any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A Yes. A Yes. C Do you believe that there are additional amounts that refers to a sense the dule that are identified as reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C A Yes. A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. C D	Q. And you then provided the schedules to	
A. Yes. Q. Now, if you could look, please, at the inpatient bad debt roll forward on Bates page MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 Mas in Mary, do you see note E states Transfer of reserves from Graduate? A. Yes. Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the input into routpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No. Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. Q. And where are those identified? A. Yes. Q. And where are notes that in each case just A. Yes. Q. And the bottom of Bates page F shows the bad.	Coopers & Lybrand as part of their audit?	
Page 612 Mas in Mary, do you see note E states Transfer of reserves from Graduate? And that refers to a \$5 million amount in April? And that refers to a \$5 million amount in April? And that refers to a \$5 million? And that refers to a \$5 million? And that refers to a \$5 million? And that in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? And Qnare there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? And Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? And where are those identified? And where are those identified? And where are notes that in each case just 125 identification.) MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 612 1	A. Yes.	24 (Deposition Exhibit 292 marked for
Page 612 M as in Mary, do you see note E states Transfer of reserves from Graduate? A Yes. Q And that refers to a \$5 million amount in March and a \$5 million amount in April? A Yes. Q And in your understanding is that Hahnemann U University Hospital's portion of the \$50 million reserve transfer? A Yes. Q Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A No. D Op you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A Yes. A No. D And where are those identified? A No. In footnote F on schedule M and footnote D on schedule N. And those are notes that in each case just Page 612 B YMR. RYAN: 3 Q. I apologize for the small type on some of the pages. Do you recognize the schedule in Exhibit 292, Ms. Schaffer? 4 Pages. A Yes. 9 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. MCC and EPPI. It's the bad debt roll forward that are identified as reserves transferred from Graduate? 15 March and a \$5 million amount in April? 6 A. Yes. 9 Q. And in your understanding is that Hahnemann outpatient of the \$50 million reserve transfer? 10 What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for decludation and the roll forwards for in and outpatient. 10 What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for decludation and the roll forward in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forward in the previous three exhibits for decludation and the roll forward in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forward in the previous three exhibits for MacC and EPPI. It's the bad debt reserve calculation and the r	Q. Now, if you could look, please, at the	25 identification.)
MANHATTAN REPORTING CORT., A ELECTRONIC CORT.,	inpatient bad debt foll forward on Bates page	MANHATTAN REPORTING CORP., A LEGALINK COMPANY
Transfer of reserves from Graduate? 3 A. Yes. 4 Q. And that refers to a \$5 million amount in April? 6 A. Yes. 7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 limillion reserve transfer? 12 A. Yes. 13 Q. For a total of \$10 million? 8 A. Yes. 14 million reserve transfer? 15 A. Yes. 16 from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 And those are notes that in each case just 25 B Milk. AC. 3 Q. I apologize for the small type on some of the pages. Do you recognize the schedule in Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 10 MCC and EPPI. It's the bad debt reserve alculation and the roll forwards for in and outpatient. 11 million reserve transferred from Graduate? 12 A. Yes. 13 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 14 McC and EPPI. It's the bad debt reserve acleulation and the roll forwards for in and outpatient. 15 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	-	
3 A. Yes. 4 Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? 5 A. Yes. 7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? 12 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred 15 from Graduate? 16 from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 Schedule N. 25 Q. And the best are notes that in each case just	M as in Mary do you see hole E states	1
4 Q. And that refers to a \$5 million amount in March and a \$5 million amount in April? 6 A. Yes. 7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann 10 University Hospital's portion of the \$50 million reserve transfer? 11 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred to transferred from Graduate? 14 A. Yes. 15 C. And where are those identified? 16 In footnote F on schedule M and footnote D on schedule N. And those are notes that in each case just 4 pages. 1b you retognize the schedule M. Exhibit 292, Ms. Schaffer? 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 10 MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 11 footnote F on schedule M and footnote D on schedule N. 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N.	Transfer of reserves from Graduate?	2 BY MR. RYAN:
March and a \$5 million amount in April? 6 A. Yes. 7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann 10 University Hospital's portion of the \$50 million reserve transfer? 11 million reserve transfer? 12 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred transferred from Graduate? 14 A. Yes. 15 Q. Also known as MCP? 16 A. Yes. 17 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 16 MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 20 transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. And those are notes that in each case just	2 Transfer of reserves from Graduate?	2 BY MR. RYAN: 3 O. I apologize for the small type on some of the
6 A. Yes. 7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann 0 University Hospital's portion of the \$50 1 million reserve transfer? 12 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 16 From Graduate? 17 Q. What are they? 18 A. These are the same schedules we have just looked at in the previous three exhibits for mCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 10 MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 11 Medical College of Pennsylvania Hospital; right? 12 A. Correct. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 14 Medical College of Pennsylvania Hospital; right? 15 In footnote For schedule M and footnote D on schedule N. 18 A. Correct. 19 Q. Also known as MCP? 18 A. Yes. 20 And where are those identified? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 And those are notes that in each case just	Transfer of reserves from Graduate? A. Yes.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in
7 Q. For a total of \$10 million? 8 A. Yes. 9 Q. And in your understanding is that Hahnemann 0 University Hospital's portion of the \$50 1 million reserve transfer? 12 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 16 from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? 14 Yes. 15 Q. And where are those identified? 16 A. Yes. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 10 MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 11 calculation and the roll forwards for in and outpatient. 12 outpatient. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 10 MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 11 Calculation and the roll forwards for in and outpatient. 12 O. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt reserve and the roll forward for EPPI; right? 18 A. Yes. 19 Q. The Eastern Pennsylvania Psychiatric Institute? 20 A. Yes. 21 A. Yes. 22 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer?
8 A. Yes. 9 Q. And in your understanding is that Hahnemann 0 University Hospital's portion of the \$50 1 million reserve transfer? 12 A. Yes. 13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred 16 from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves 19 La Yes. 20 Q. And where are those identified? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 25 Q. And those are notes that in each case just 10 MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 10 MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 11 calculation and the roll forwards for in and outpatient. 12 Outpatient. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 29 So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric Institute? 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April?	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes.
9 Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? 2 A. Yes. 3 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 25 Q. And whose are notes that in each case just 10 MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 12 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 13 Q. Also known as MCP? 14 A. Yes. 15 P. Wes. 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they?
University Hospital's portion of the \$50 million reserve transfer? 2 A. Yes. 3 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 17 A. No. 18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 25 Q. And the bottom of Bates page F shows the bad and the roll forwards for in and outpatient. 10 Calculation and the roll forwards for in and outpatient. 11 Calculation and the roll forwards for in and outpatient. 12 Outpatient. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric Institute? 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million?	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just
million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. And where are those identified? And where are notes that in each case just 12 outpatient. 3 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric Institute? 23 And the bottom of Bates page F shows the bad 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. O. And in your understanding is that Hahnemann	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for
13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 15 A. No. 16 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred transferred from Graduate? 14 Medical College of Pennsylvania Hospital; right? 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 20 transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 And those are notes that in each case just	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve
13 Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 15 In footnote F on schedule M and footnote D on schedule N. 16 In patient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 20 In footnote F on schedule M and footnote D on schedule N. 21 A. Yes. 22 Q. And where are those identified? 23 In footnote F on schedule M and footnote D on schedule N. 24 And those are notes that in each case just	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. O. For a total of \$10 million? A. Yes. O. And in your understanding is that Hahnemann University Hospital's portion of the \$50	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and
inpatient or outpatient bad debt for loward that are identified as reserves transferred from Graduate? 15	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Yes.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the
from Graduate? 17 A. No. 18 Q. Do you believe that there are additional 19 amounts that, in fact, were reserves 20 transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on 24 schedule N. 25 Q. And those are notes that in each case just 16 A. Content. 17 Q. Also known as MCP? 18 A. Yes. 20 roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? Yes. Are there any other amounts either on the	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the
17 A. No. 18 Q. Do you believe that there are additional 19 amounts that, in fact, were reserves 20 transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on 24 schedule N. 25 Q. And those are notes that in each case just 17 Q. Also known as MCF. 18 A. Yes. 20 So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad 26 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital;
18 Q. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 25 Q. And those are notes that in each case just 18 A. Yes. 20 So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric Institute? 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. O. For a total of \$10 million? A. Yes. O. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct.
amounts that, in fact, were reserves transferred from Graduate? 19	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate?	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct.
transferred from Graduate? 21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on schedule N. 24 Schedule N. 25 Q. And those are notes that in each case just 26 Institute? 27 A. Yes. 28 Q. The Eastern Pennsylvania Psychiatric 29 Institute? 20 Institute? 20 Institute? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes. 25 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes.
21 A. Yes. 22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on 24 schedule N. 25 Q. And those are notes that in each case just 26 Q. And the bottom of Bates page F shows the bad 27 Q. And the bottom of Bates page F shows the bad 28 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? A. No. Do you believe that there are additional	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt
22 Q. And where are those identified? 23 A. In footnote F on schedule M and footnote D on 24 schedule N. 25 Q. And those are notes that in each case just 26 Q. And the bottom of Bates page F shows the bad 27 Q. And the bottom of Bates page F shows the bad 28 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. O. For a total of \$10 million? A. Yes. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt 20 roll forward for EPPI; right?
23 A. In footnote F on schedule M and footnote D on 24 schedule N. 25 Q. And those are notes that in each case just 26 And those are notes that in each case just	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate?	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt 20 roll forward for EPPI; right? 21 A. Yes.
24 Schedule N. 25 Q. And those are notes that in each case just 26 Q. And the bottom of Bates page F shows the bad 27 Q. And the bottom of Bates page F shows the bad	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? Yes. Yes.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric
25 Q. And those are notes that in each case just	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. And where are those identified?	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just looked at in the previous three exhibits for MCC and EPPI. It's the bad debt reserve calculation and the roll forwards for in and outpatient. 13 Q. MCC was the main clinical campus of the Medical College of Pennsylvania Hospital; right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric Institute?
MANHATTAN REPORTING CORP., A LEGALINK COMPANY	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Q. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. And where are those identified? In footnote F on schedule M and footnote D on	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt 20 roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes.
MUMINITY WILL VIEW ON WILL A THE A	Transfer of reserves from Graduate? A. Yes. And that refers to a \$5 million amount in March and a \$5 million amount in April? A. Yes. Q. For a total of \$10 million? A. Yes. Q. And in your understanding is that Hahnemann University Hospital's portion of the \$50 million reserve transfer? A. Yes. Are there any other amounts either on the inpatient or outpatient bad debt roll forward that are identified as reserves transferred from Graduate? No. Do you believe that there are additional amounts that, in fact, were reserves transferred from Graduate? A. Yes. And where are those identified? In footnote F on schedule M and footnote D on schedule N.	2 BY MR. RYAN: 3 Q. I apologize for the small type on some of the 4 pages. Do you recognize the schedule in 5 Exhibit 292, Ms. Schaffer? 6 A. Yes. 7 Q. What are they? 8 A. These are the same schedules we have just 9 looked at in the previous three exhibits for 10 MCC and EPPI. It's the bad debt reserve 11 calculation and the roll forwards for in and 12 outpatient. 13 Q. MCC was the main clinical campus of the 14 Medical College of Pennsylvania Hospital; 15 right? 16 A. Correct. 17 Q. Also known as MCP? 18 A. Yes. 19 Q. So Bates page F shows on the top the bad debt 20 roll forward for EPPI; right? 21 A. Yes. 22 Q. The Eastern Pennsylvania Psychiatric 23 Institute? 24 A. Yes.

	Page 615		Page 617
1	debt roll forwards for MCP inpatient?	1	(Deposition Exhibit 293 marked for
2 A.	Yes.	2	identification.)
3 Q.	And Bates page G shows the bad debt roll	3	••••
4	forward for MCP outpatient; right?	4	BY MR. RYAN:
5 A.	Yes.	5	Q. Do you recognize the schedules in Exhibit
6 Q.	And now is it your understanding that as of	6	293, Ms. Schaffer?
7	June 30, '97, the EPPI bad debt allowance	7	A. Yes.
8	account was closed out and combined with the	8	Q. What are they?
9	MCP inpatient account?	9	A. Again, this is the same type of schedules we
10 A.	Yes.	10	were looking at in the previous four
11 Q.	And that's why the ending balance for the bad	11 12	exhibits, but this one is for St. Christopher's Hospital. It's the bad debt
12	debt allowance account at EPPI is zero?	13	reserve calculations and the corresponding in
13 A.	Yes. And the balance in the account was then	14	and outpatient bad debt reserve roll
14 Q. 15	transferred to the MCP inpatient account;	15	forwards.
16	right?	16	Q. These schedules, as with the schedules in the
17 A.	Correct.	17	previous four exhibits, were prepared by you
18 Q.	And the required bad debt allowance of MCP	18	or your staff and were reviewed by you as
19	inpatient that you calculated then was the	19	part of your calculation of the bad debt
20	required amount for the inpatient accounts	20	allowances at the DVOG hospitals at June 30,
21	receivable at MCP plus the required amount	21	1997; right?
22	for the accounts receivable at EPPI?	22	
23 A.	Yes.	23	
24 Q.	Now, the only amounts that are identified on	24	•
25	any of these three bad debt roll forwards for MANHATTAN REPORTING CORP., A LEGALINK COMPANY	25	A. Yes. MANHATTAN REPORTING CORP., A LEGALINK COMPANY
	Page 616		Page 618
1	MCP Hospital and EPPI as being the transfer	1	Q. And if we look at the inpatient bad debt roll
2	of reserves from Graduate is \$15 million in	2	
3	note F on the MCP inpatient bad debt roll		• • • •
		3	L, there is a \$6 million Graduate Hospital
4	forward; correct?	4	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right?
5 A.	forward; correct? Correct.	4 5	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes.
5 A. 6 Q.	forward; correct? Correct. And now again note G at MCP inpatient and	4 5 6	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate
5 A. 6 Q. 7	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE	4 5	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that
5 A. 6 Q. 7	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right?	4 5 6 7	 L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes.
5 A. 6 Q. 7 8 9 A.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes.	4 5 6 7 8 9	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right?
5 A. 6 Q. 7 8 9 A. 10 Q.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right?	4 5 6 7 8 9	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St.
5 A. 6 Q. 7 8 9 A. 10 Q.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called	4 5 6 7 8 9 10 11 12	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate?
5 A. 6 Q. 7	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes.	4 5 6 7 8 9 10 11 12 13	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes.
5 A. 6 Q. 7 8 9 A. 10 Q. 11	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll	4 5 6 7 8 9 10 11 12 13 14	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall	4 5 6 7 8 9 10 11 12 13 14 15	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from	4 5 6 7 8 9 10 11 12 13 14 15 16	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there?	4 5 6 7 8 9 10 11 12 13 14 15 16 17	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right?
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No.	4 5 6 7 8 9 10 11 12 13 14 15 16	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes.
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q. 20	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the shortfall adjustment was expensed; right?	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as Exhibit 294 documents with Bates numbers TNP
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the shortfall adjustment was expensed; right? No.	4 5 6 7 8 9 10 11 12 13 14 15 166 177 18 19 20	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as Exhibit 294 documents with Bates numbers TNP 00568 through 601.
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q. 20 21 A.	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the shortfall adjustment was expensed; right?	4 5 6 7 8 9 10 11 12 13 144 15 16 17 18 19 20 21	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as Exhibit 294 documents with Bates numbers TNP 00568 through 601.
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q. 20 21 A. 22 23	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the shortfall adjustment was expensed; right? No. MR. RYAN: Let me mark, please, as	4 5 6 7 7 8 9 10 11 12 13 14 15 166 17 18 19 20 21 22 23 24	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as Exhibit 294 documents with Bates numbers TNP 00568 through 601. (Deposition Exhibit 294 marked for identification.)
5 A. 6 Q. 7 8 9 A. 10 Q. 11 12 13 A. 14 Q. 15 16 17 18 A. 19 Q. 20 21 A. 22 23 24 25	forward; correct? Correct. And now again note G at MCP inpatient and note D on MCP outpatient refer to a YE shortfall adjust or adjustment; right? Yes. Is it your understanding that those so-called shortfall adjustments included the transfer of reserves from Graduate? Yes. But there is no way to tell from these roll forward schedules how much of that shortfall adjustment involved transfer of reserves from Graduate, is there? No. There is no way to tell how much of the shortfall adjustment was expensed; right? No. MR. RYAN: Let me mark, please, as Exhibit 293 a schedule with Bates number	4 5 6 7 7 8 9 10 11 12 13 14 15 166 177 18 19 20 21 22 23	L, there is a \$6 million Graduate Hospital transfer identified in note F; is that right? A. Yes. Q. And then an additional \$4 million Graduate Hospital revenue transfer in note G; is that right? A. Yes. Q. And that \$10 million amount is St. Christopher's portion of the \$50 million transfer of reserves from Graduate? A. Yes. Q. Those are the only amounts expressly identified on this bad debt roll forwards as transfer of reserves from Graduate; is that right? A. Yes. MR. RYAN: Let me mark, please, as Exhibit 294 documents with Bates numbers TNP 00568 through 601. (Deposition Exhibit 294 marked for identification.)

Page 6	619	Page 621
BY MR. RYAN: Q. Now, let me direct you to a specific page here which is the page ending in 75. Do you	2 3	A. Yes. Those were most likely relating and I don't remember the exact number to those contractual adjustments that were booked
recognize this page, Ms. Schaffer? A. Yes.	5	earlier in the year to increase the net research and reduce the contractuals, and
Q. What is it?A. This is Hahnemann's summary of bad debt	7	later those adjustments were put into the bad debt reserve account.
reserves for inpatient as of 6-30-97. This is the draft right after my staff prepared	8 9	Q. Okay. So those are the entries in September '96 that we talked about on the previous
the initial roll forward. Q. And the print date for this schedule as shown	10 11 12	days? A. Yes. Q. And the term bottom line adjustment reflects
in the upper right-hand corner is July 22, '97; right?	13	the fact that those adjustments increased net income; right?
A. Yes. Q. Is the handwriting on this page yours?	I	A. Correct. O. Net income is referred to sometimes as the
A. Yes. Q. All of it?	17	bottom line; right? A. Correct.
A. Yes.Q. So these were the edits that you made to the Hahnemann inpatient bad debt allowance roll	19 20	Q. And you edited what originally was note one that reads reserve adjustments?
forward before you provided the final version to Coopers & Lybrand for their audit;	21 22	A. Right. Q. If we go back to the Hahnemann inpatient bad
correct?	23 24	debt roll forward as provided to Coopers & Lybrand that's here in Exhibit 291, Bates
And if you look at what used to be note 6	25	page M as in Mary, note A now reads reserve
Q. And if you look at what used to be note 6 MANHATTAN REPORTING CORP., A LEGALINK COMPA	25	
MANHATTAN REPORTING CORP., A LEGALINK COMPA	25	page M as in Mary, note A now reads reserve
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page which you've changed to note E, do you see	ANY 25	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY
MANHATTAN REPORTING CORP., A LEGALINK COMPA	25 25 2620 1 2 3 4	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve	25 2620 1 2 3 4 5 6	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E?
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes.	25 2620 1 2 3 4 5 6 6 7 8	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad	25 2620 1 2 3 4 5 6 6 7 8 9 10	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right?
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes.	25 2620 1 2 3 4 5 6 6 7 8 9 10 11 12	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes. Q. If you could turn, please, to the next page
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes. Q. And you did not indicate there that those shortfall adjustments included the transfer	25 2620 1 2 3 4 5 6 6 7 8 9 10 11	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes.
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes. Q. And you did not indicate there that those shortfall adjustments included the transfer of reserves from Graduate, did you? A. No. I didn't think to do that at the time,	25 ANY 25 25 26 20 27 28 29 20 21 22 23 24 25 26 27 28 29 20 21 22 23 24 24 25 26 26 27 28 29 20 20 20 20 20 20 20 20 20 20 20 20 20	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes. Q. If you could turn, please, to the next page in Exhibit 294, Bates page 576, is this the original outpatient bad debt roll forward for Hahnemann Hospital prepared by your staff? A. Yes. Q. Is the handwriting here your edits?
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes. Q. And you did not indicate there that those shortfall adjustments included the transfer of reserves from Graduate, did you? A. No. I didn't think to do that at the time, no. Q. Now, if you could look up, please, at what used to be note 1, do you see the original	25 ANY 25	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes. Q. If you could turn, please, to the next page in Exhibit 294, Bates page 576, is this the original outpatient bad debt roll forward for Hahnemann Hospital prepared by your staff? A. Yes. Q. Is the handwriting here your edits? A. Yes. Q. That includes the edit to what used to be
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes. Q. And you did not indicate there that those shortfall adjustments included the transfer of reserves from Graduate, did you? A. No. I didn't think to do that at the time, no. Q. Now, if you could look up, please, at what used to be note 1, do you see the original version of this roll forward schedule said July through September other pertains to	25 ANY 25	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 62 adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes. Q. If you could turn, please, to the next page in Exhibit 294, Bates page 576, is this the original outpatient bad debt roll forward for Hahnemann Hospital prepared by your staff? A. Yes. Q. Is the handwriting here your edits? A. Yes. Q. That includes the edit to what used to be note 5 which became note D as in door, which reads bad debt shortfall adjustments; right?
which you've changed to note E, do you see that you've written there by hand Transfer of reserves from Graduate? A. Yes. Q. And that's associated with the \$10 million that are part of the \$50 million reserve transfer from Graduate; is that right? A. Yes. Q. And then you wrote in what used to be note 7 that is now note F you added the words bad debt before shortfall adjustments; right? A. Yes. Q. And you did not indicate there that those shortfall adjustments included the transfer of reserves from Graduate, did you? A. No. I didn't think to do that at the time, no. Q. Now, if you could look up, please, at what used to be note 1, do you see the original version of this roll forward schedule said	25 ANY 25	page M as in Mary, note A now reads reserve MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 6: adjustments the way you edited it in Exhibit 294; right? A. Yes. Q. And note E reads transfer of reserves from Graduate the way you edited in what used to be note 6 which became note E? A. Yes. Q. And note F reads bad debt shortfall adjustments as you edited in what used to be note 7 which became note F; right? A. Yes. Q. If you could turn, please, to the next page in Exhibit 294, Bates page 576, is this the original outpatient bad debt roll forward for Hahnemann Hospital prepared by your staff? A. Yes. Q. Is the handwriting here your edits? A. Yes. Q. That includes the edit to what used to be note 5 which became note D as in door, which reads bad debt shortfall adjustments; right? A. Yes. Q. Now, if you could turn, please, to Bates page

	Page 655			Pag	ige 657
d	57 million of reserve transfers from Graduate	1	•	works using the \$260,941,000 figure from	
	n May 1997?	2]	Exhibit 300.	
	Yes.	3	A.	Yes. 12,964,000 is what calculates or	
11.	MR. RYAN: Let me mark, please, as	4		12,964.	
1	Exhibit 302 a document with Bates numbers	5	Q.	So it's \$12,964 per admission?	
	DBCM 2800058 through 70.	6	A.	Correct.	
•		7	Q.	So these cheat sheets here attached to	
	(Deposition Exhibit 302 marked for	8		Exhibit 302 are based on the same revenue	
	identification.)	9		figures that you had in your July 17, '97	
		10		memo in Exhibit 300?	
BY M	IR. RYAN:	11		Yes.	
Q.	Do you recognize Exhibit 302, Ms. Schaffer?	12	Q.	And they include in net revenue the \$7	
À.	The only pages that I recognize in Exhibit	13		million of Graduate reserves taken into	
	302 are pages 61 through 70, which are what	14		income in May; right, so that, for example, a	
	we have been calling the cheat sheets.	15		note I on Bates 61 we see the \$5 million	
Q.	So Bates pages 61 through 70 are cheat sheets	16		transferred from Graduate to Hahnemann	
-	that you prepared?	17		Hospital?	
Α.	Again, I would have prepared every one except	18	A. Q.	Yes. But they don't include any reserve transfers	
	Parkview and City, which I don't even know if	19 20	ų.	into income for June, do they?	
	they are in here. Yes. Parkview and City	21	A.	No, and I don't know why they don't.	
	would have most likely been either prepared	22	Λ.	MR. RYAN: Let me mark, please, as	
	by myself but I don't think I did them	23		Exhibit 303 a document with Bates numbers DLC	
	or Frank Insana who was under Al Adamczak.	24		NR 011858 through 62.	
Q.	But all the other ones, the five DVOG	25			
5 M	hospitals, the Graduate Hospital, St. Sinai ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656	23	М	IANHATTAN REPORTING CORP., A LEGALINK COMPANY	
M	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656	1	M		Y Page 65
M	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did?		М	, P	
Д. А.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes.	1		(Deposition Exhibit 303 marked for identification.)	
M. A. B. Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley	1 2 3 4	ву	(Deposition Exhibit 303 marked for identification.) MR. RYAN:	
M. A. B. Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date	1 2 3 4 5		(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second	
M. A. B. Q. H. S.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date	1 2 3 4 5 6	ву	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997	
M. A. B. Q. H. S.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page	1 2 3 4 5 6 7	BY I	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right?	
M. A. B. Q. H. S. G. F.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes.	1 2 3 4 5 6 7 8	BY I Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes.	
M. A. B. Q. B. B. G.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat	1 2 3 3 4 5 6 6 7 8 8 9	BY I Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the	
M. A. G. Q. G.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the	1 2 3 4 5 6 6 7 8 8 9 10	BY I Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that	
M. A. G. Q. G.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437;	1 2 3 4 5 6 6 7 8 9 10 11	BY I Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right?	
M. A. Q. B. G.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right?	1 2 2 3 4 4 5 6 6 7 7 8 8 9 10 11 12	BY Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes.	
M. A. A. B. Q. A. B. G.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes.	1 2 2 3 3 4 4 5 6 6 7 7 8 8 9 10 11 12 13 13	BY Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right?	
M. A. A. B. Q. A. B. Q. Q. O. O. 1 2 3 A. 4 Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed	1 2 3 4 5 6 6 7 8 9 10 11 12 13 14	BY Q. A. Q. A. Q. A. A.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes.	
M. A. A. G. Q. G.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97	1 2 2 3 3 4 4 5 6 6 7 7 8 8 9 10 11 12 13 13	BY Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of	
M 2. A. 3. Q. 4. 6. 6. 7 7. 3. A. 9. Q. 0. 1 2. 3. A. 4. Q. 5. 6	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average?	1 2 3 4 5 6 6 7 8 9 10 11 12 13 12 13 12 15	BY Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes.	
M 2. A. 3. Q. 4. 5. 6. 7. 7. A. 9. Q. 1. 2. 3. A. 4. Q. 5. 6. 7. A.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes.	1 2 3 4 4 5 6 7 7 8 9 10 11 12 13 14 15 16 16 16 16 16 16 16 16 16 16 16 16 16	BY ! Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the	
M 2. A. 3. Q. 4. G. 5. G. 7. A. 9. Q. 1. 2. 3. A. 4. Q. 5. G. 7. A. 8. Q.	Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964?	1 2 3 3 4 4 5 6 6 7 7 8 9 10 11 12 13 14 15 16 16 17	BY ! Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes.	
M 2. A. 3. Q. 4. G. 5. G. 7. A. 4. Q. 5. G. 7. A. 8. Q. 9. A.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes.	1 2 3 3 4 4 5 6 6 7 7 8 9 10 11 12 13 14 15 16 17 18 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	BY ! Q. A. A. Q. A. Q. A. A. A. A. Q. A. A. A. Q. A. A. A. Q. A. A. A. Q. A.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97	
M 2 A. 3 Q. 4 5 5 6 7 A. 8 Q. 9 A. 20 Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes. Would that figure be calculated by taking the	1 2 3 3 4 4 5 6 6 7 7 8 8 9 10 11 12 13 14 15 16 17 18 11 11 11 11 11 11 11 11 11 11 11 11	BY ! Q. A. Q. Q. A. Q. Q. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97 inpatient net revenue per admission that	
M 2 A. 3 Q. 4 5 5 6 7 A. 8 Q. 9 A. 20 Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes. Would that figure be calculated by taking the actual year to date in patient net revenue	1 2 3 3 4 4 5 6 6 7 7 8 8 9 10 11 12 13 14 15 10 17 18 11 12 12 10 11 11 11 11 11 11 11 11 11 11 11 11	BY 1 Q. A. Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97	
M 2 A. 3 Q. 4 5 6 6 7 8 A. 9 Q. 0 1 2 3 A. 4 Q. 5 6 7 A. 18 Q. 19 A. 20 Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes. Would that figure be calculated by taking the actual year to date in patient net revenue and dividing by the actual year to date	1 2 3 3 4 4 5 5 6 6 7 7 8 8 9 100 11 12 13 14 15 10 17 18 11 11 12 20 2 2	BY 1 Q. A. Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97 inpatient net revenue per admission that wasn't on the previous sheet; right? Correct.	
M 2 A. 3 Q. 4 5 6 6 7 8 A. 9 Q. 0 1 2 3 A. 4 Q. 5 6 7 A. 18 Q. 19 A. 20 Q. 21 22 23	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes. Would that figure be calculated by taking the actual year to date in patient net revenue and dividing by the actual year to date admissions?	1 2 3 3 4 4 5 5 6 6 7 8 8 9 100 11 12 13 14 15 10 12 12 20 2 2 2 2 2 2	BY 1 Q. A. Q. A. Q. A. Q. O.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97 inpatient net revenue per admission that wasn't on the previous sheet; right?	
M 2 A. 3 Q. 4 5 6 6 7 8 A. 9 Q. 0 1 2 3 A. 4 Q. 5 6 7 A. 18 Q. 19 A. 20 Q.	ANHATTAN REPORTING CORP., A LEGALINK COMPANY Page 656 Hospital and Rancocas Hospital you did? Yes. Now, if we look at your Delaware Valley patient revenue analysis on the second page of Exhibit 300, the actual year to date inpatient net revenue was \$264,941,000 is; right? Yes. If we look at the June 1997 Hahnemann cheat sheet on Bates page 61 of Exhibit 302, the actual year to date admissions were 20,437; is that right? Yes. You see in the middle left-hand column headed Net Revenue there is a line Fiscal Year '97 Average? Yes. That says \$12,964? Yes. Would that figure be calculated by taking the actual year to date in patient net revenue and dividing by the actual year to date	1 2 3 3 4 4 5 5 6 6 7 8 8 9 10 11 12 13 14 15 10 17 18 15 10 12 2 2 2 2 2 2 2 2 2	BY! Q. A. Q. A. Q. A. Q. A. Q. A. Q. A. Q.	(Deposition Exhibit 303 marked for identification.) MR. RYAN: Now, if you could turn, please, to the second page of Exhibit 303. This is a June 1997 cheat sheet for Hahnemann; right? Yes. And the typed schedule is identical to the one on Bates page 61 in Exhibit 302; is that right? Yes. Is that your handwriting on this page? Yes. Now, if we turn back to the first page of Exhibit 303, this is a revised version of the same June '97 Hahnemann cheat sheet, isn't it? Yes. So that there is a note J by the June '97 inpatient net revenue per admission that wasn't on the previous sheet; right? Correct.	Page 6:

	Page 659				Page 661
A. Yes.		1	A.	Yes.	
	the inpatient net revenue per admission	2	Q.	And a variance described as pharmacy	
	one from \$11,370 for that month to	3		corrections?	
-	82; right?	4	A.	Yes.	
A. Yes.	-, g	5		MR. RYAN: Let me mark, please, as	
	ou believe that's \$10 million in reserves	6		Exhibit 304 a document with Bates numbers DLC	
	erred from Graduate into the Hahnemann	7		NR 011732 through 36.	
	ent contractual allowance account?	8			
	not sure if it was all from Graduate or	9		(Deposition Exhibit 304 marked for	
	nce I did specifically above that say	10		identification.)	
1 Gradi	nate. So I would think that it's at	11			
2 least	part of it came from Graduate, but I	12		MR. RYAN:	
3 don't	know if the whole \$10 million did or	13	Q.	So the second page of Exhibit 304 is the	
4 not.		14		original June '97 cheat sheet for MCP	
5 Q. But	certainly it's a transfer of reserves	15		Hospital; is that right?	
	he contractual allowance account at	16	Α.	It looks that way, yes.	
7 Hahn	emann?		Q.	And that ties to the cheat sheet on Bates 62	
8 A. Righ	nt.	18		in Exhibit 302; right?	
19 Q. And	that transfer of reserves operated to	19	Α.	Yes.	
	e the contractual allowance and sort of	20	Q.	And the first page of Exhibit 304 is a	
	inpatient net revenue appear to be	21		revised cheat sheet?	
22 highe	er than it actually was?		Α.	Yes.	
23 A. Yes.		23	Q.	Revised to include, as stated in note E, a \$3	
24 Q. Nov	v, is what you're doing in the upper	24		million general reserve adjustment?	
25 right	-hand corner of the second page of	25	Α.	Yes.	
MANH	ATTAN REPORTING CORP., A LEGALINK COMPANY		·	MANHATTAN REPORTING CORP., A LEGALINK COMPA	ANY
MANH	ATTAN REPORTING CORP., A LEGALINK COMPANY Page 660	:		MANHATTAN REPORTING CORP., A LEGALINK COMPA	Page 66
1 Exhi	Page 660 bit 303 calculating the volume and rate	1	Q.	Now, the total year to date admission	
1 Exhi 2 varia	Page 660 bit 303 calculating the volume and rate ance for Hahnemann for June '97?	2		Now, the total year to date admission let's do the monthly admissions. So the	
1 Exhi 2 varia	Page 660 bit 303 calculating the volume and rate	3		Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at	
1 Exhi 2 varia 3 A. Yes	Page 660 bit 303 calculating the volume and rate ance for Hahnemann for June '97?	2 3 4		Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu:	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? It looks like I'm taking the total unce and then breaking it out between me and rate.	2 3 4 5	Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223?	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu	Page 660 bit 303 calculating the volume and rate ince for Hahnemann for June '97? i. It looks like I'm taking the total ince and then breaking it out between	2 3 4 5 6	Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget?	2 3 4 5 6 7	Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308?	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? i. It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? the \$5,084,000 volume variance is based on	2 3 4 5 6 7 8	Q. A. Q. A.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c	Page 660 bit 303 calculating the volume and rate ince for Hahnemann for June '97? i. It looks like I'm taking the total ince and then breaking it out between me and rate. d that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860;	2 3 4 5 6 7 8 9	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th	Page 660 bit 303 calculating the volume and rate ince for Hahnemann for June '97? i. It looks like I'm taking the total ince and then breaking it out between me and rate. d that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right?	2 3 4 5 6 7 8 9	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? bit It looks like I'm taking the total unce and then breaking it out between me and rate. di that's a variance to budget? bit the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right?	2 3 4 5 6 7 8 9 10	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And	Page 660 bit 303 calculating the volume and rate ince for Hahnemann for June '97? i. It looks like I'm taking the total ince and then breaking it out between me and rate. d that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? i. d that's a calculation that you did; right?	2 3 4 5 6 7 8 9 10 11 12	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E?	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? i. It looks like I'm taking the total unce and then breaking it out between me and rate. it that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? i. d that's a calculation that you did; right? i.	2 3 4 5 6 7 8 9 10 11 12 13	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? i. It looks like I'm taking the total unce and then breaking it out between me and rate. d that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? i. d that's a calculation that you did; right? i. u prepared the typed schedule and then you	2 3 4 5 6 7 8 9 10 11 12 13	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? s. It looks like I'm taking the total unce and then breaking it out between me and rate. d that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? d that's a calculation that you did; right? d that's a calculation that you did; right? d they be the handwritten additions in the bottom;	2 3 4 5 6 7 8 9 10 11 12 13 14	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? s. It looks like I'm taking the total unce and then breaking it out between me and rate. d that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? d that's a calculation that you did; right? d that's a calculation that you did; right? d they be the handwritten additions in the bottom; t?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? i. It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? i. d that's a calculation that you did; right? i. u prepared the typed schedule and then you e the handwritten additions in the bottom; t?	2 3 4 5 6 7 8 9 10 11 12 13 14	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? i. It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? . the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? i. d that's a calculation that you did; right? i. u prepared the typed schedule and then you e the handwritten additions in the bottom; t? i. d the \$2,200,000 rate variance that you	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not?	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. And 19 have	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? bit It looks like I'm taking the total unce and then breaking it out between me and rate. If that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? did that's a calculation that you did; right? did that's a calculation that you did; right? did the \$2,200,000 rate variance that you eight in the upper right-hand corner of Bates	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. A. Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An 19 have 20 1859	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? the dithat's a calculation that you did; right? the uppeared the typed schedule and then you the the handwritten additions in the bottom; the second of	2 3 3 4 4 5 5 6 6 7 7 8 8 9 10 11 12 13 14 15 16 16 17 18 19 19	Q. A. Q. A. Q. A. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. And 19 have 20 1859 21 to 6	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? the data's a calculation that you did; right? the uppeared the typed schedule and then you the the handwritten additions in the bottom; the second of t	2 3 3 4 4 5 5 6 6 7 7 8 8 9 10 11 12 13 14 15 16 16 17 18 19 20	Q. A. Q. A. Q. A. Q. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes. So it's the \$3 million general reserve	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An 19 have 20 1859 21 to 6 22 A. Yes	Page 660 bit 303 calculating the volume and rate since for Hahnemann for June '97? bit It looks like I'm taking the total since and then breaking it out between me and rate. If that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? did that's a calculation that you did; right? did that's a calculation that you did; right? did the \$2,200,000 rate variance that you e in the upper right-hand corner of Bates dis based on the schedule at Bates 1861 2; right? s.	2 3 3 4 4 5 5 6 6 7 7 8 8 9 10 11 12 13 13 14 4 15 16 16 17 18 19 20 21 1	Q. A. Q. A. Q. A. Q. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes. So it's the \$3 million general reserve adjustment that's accounting for the change	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volut 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An 19 have 20 1859 21 to 6 22 A. Yes 23 Q. An	Page 660 bit 303 calculating the volume and rate since for Hahnemann for June '97? bit. It looks like I'm taking the total since and then breaking it out between me and rate. If that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? dithat's a calculation that you did; right? u prepared the typed schedule and then you e the handwritten additions in the bottom; t? dithe \$2,200,000 rate variance that you e in the upper right-hand corner of Bates bis based on the schedule at Bates 1861 2; right? dithen there are two other particular	2 3 3 4 4 5 5 6 6 7 7 8 8 9 10 11 12 13 13 14 4 15 16 16 17 18 19 20 21 22 21 22 22	Q. A. Q. A. Q. A. Q. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes. So it's the \$3 million general reserve adjustment that's accounting for the change in inpatient net revenue per admission for June '97; right?	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volu: 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. An 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An 19 have 20 1859 21 to 6 22 A. Yes 23 Q. An 24 vari	Page 660 bit 303 calculating the volume and rate unce for Hahnemann for June '97? It looks like I'm taking the total unce and then breaking it out between me and rate. It that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? the data's a calculation that you did; right? the upperared the typed schedule and then you the the handwritten additions in the bottom; the self-self-self-self-self-self-self-self-	2 3 3 4 4 5 5 6 6 7 7 8 8 9 10 11 12 13 13 14 15 16 16 17 17 18 19 20 21 22 23 24 2	Q. A. Q. A. Q. A. Q. Q. A. Q.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes. So it's the \$3 million general reserve adjustment that's accounting for the change in inpatient net revenue per admission for June '97; right? Yes.	
1 Exhi 2 varia 3 A. Yes 4 varia 5 volut 6 Q. And 7 A. Yes 8 Q. So 9 the c 10 is th 11 A. Yes 12 Q. And 13 A. Yes 14 Q. Yo 15 mad 16 righ 17 A. Yes 18 Q. An 19 have 20 1859 21 to 6 22 A. Yes 23 Q. An 24 vari 25	Page 660 bit 303 calculating the volume and rate since for Hahnemann for June '97? bit. It looks like I'm taking the total since and then breaking it out between me and rate. If that's a variance to budget? the \$5,084,000 volume variance is based on calculation on the next page, Bates 1860; at right? dithat's a calculation that you did; right? u prepared the typed schedule and then you e the handwritten additions in the bottom; t? dithe \$2,200,000 rate variance that you e in the upper right-hand corner of Bates bis based on the schedule at Bates 1861 2; right? dithen there are two other particular	2 3 4 4 5 6 6 7 7 8 8 9 10 11 12 13 13 14 15 16 16 17 18 19 20 21 22 23 24 25 24 25	Q. A. Q. Q. A. Q. Q. A. A. Q. Q. A. A. Q. A. Q. A. Q. A. A. A. Q. A. A. A. A. Q. A.	Now, the total year to date admission let's do the monthly admissions. So the total admissions for the month of June '97 at the main clinical campus and EPPI combined would be 1,085 plus 223? Yes. So that's 1,308? Yes. Could you calculate them, please, what the effect on net revenue per admission for that month would be of a \$3 million general reserve adjustment as shown in note E? It would be \$2,294 per admission. If you compare the original net revenue per admission for June '97 at MCP in the second page of Exhibit 304 to the revised number on the first page, the difference is that same \$2,294 figure; is it not? Let me just make sure. Yes. So it's the \$3 million general reserve adjustment that's accounting for the change in inpatient net revenue per admission for June '97; right? Yes.	Page 6

Page 6	583		Page 6
(Deposition Exhibit 312 marked for	1		'97 cheat sheet; right?
identification.)	2	Α.	Yes.
identification.	3	Q.	But footnote F, which explains that there was
	4	`	a \$1 million use of reserves, isn't on the
BY MR. RYAN:	5		version provided to Coopers & Lybrand; right?
Q. Exhibit 312 consists of a series of June '97	6	A.	Again, no. But it wasn't on the one before
cheat sheets; right?	7	Α.	either, not by the average.
A. Yes.	8	Q.	If you could just skip ahead to the last page
Q. And you recall generally that you gave	9	Q.	of Exhibit 312. See in the middle there is a
Coopers & Lybrand during the '97 audit or			
probably during every year's audit a version	10		cheat sheet for the Graduate Hospital?
of the cheat sheets; right?	11		Yes.
A. Yes.	12	Q.	If we compare that one to the revised and
Q. To help them look at the relationship between	13		original Graduate Hospital cheat sheets we
gross and net revenues?	14		marked as Exhibit 308, you'll see the \$11,100
A. Yes.	15		figure for fiscal year '97 average inpatient
Q. Now, if you could dig out Exhibit 304 which	16		net revenue per admission ties?
is the revised and original MCP June '97	17	A.	Yes.
cheat sheets. In Exhibit 304 the fiscal year	18	Q.	Here for the Graduate Hospital one of the
'97 average inpatient net revenue per	19		footnotes remains footnote G; right?
admission is \$11,169; right?	20	A.	Yes.
A. Yes.	21	Q.	Which says Does not include \$9.4 million HSI
Q. And Exhibit 304 there is a footnote E which	22	-	deferred revenue?
	23		Right.
explains that includes the \$3 million general reserve adjustment; right?	24		Do you believe that what you did with the
5 A. Yes.	25	-	cheat sheet file before you provided to it
MANHATTAN REPORTING CORP., A LEGALINK COMPA	- 1		MANHATTAN REPORTING CORP., A LEGALINK COMPANY
	NY		MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page Q. Now, Exhibit	684		MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page Coopers & Lybrand was that you went and
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not	684		MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page Coopers & Lybrand was that you went and eliminated the monthly entries with their
Page Q. Now, Exhibit 2. A. I'm sorry. That's by the month of June, not the average.	684		Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes?
MANHATTAN REPORTING CORP., A LEGALINK COMPA Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not	684	:	MANHATTAN REPORTING CORP., A LEGALINK COMPANY Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they
Page Q. Now, Exhibit 2. A. I'm sorry. That's by the month of June, not the average.	684	; A.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months.
Page Q. Now, Exhibit Page Q. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct.	684	; ; ; ; ; ; ;	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right.
Page Q. Now, Exhibit Q. A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June.	684	A. A. S. S. Q. 7. A.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my
Page Q. Now, Exhibit Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per	684	3 A. A. S	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess.
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal	684	;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;;	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. Page A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? Q. Yes.	684 684	3 A. A. S. S. Q.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June?
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? O. A. Yes.	684	3 A. A. 3 Q.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct.
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? Q. A. Yes. Q. And there is no footnote anywhere on the	684 684	3 A. A. S. S. Q.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. Page A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that	684 684	3 A. 3 A. 3 Q. 7 A. 3 Q. 0 Q. 1 A. 2 Q. Q. 2 Q. 2 Q. 2 Q. 2 Q. 2 Q. 2 Q	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct.
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is	684 684 1 1 1 1	3 A. 3 A. 3 Q. 7 A. 3 Q. 0 Q. 1 A. 2 Q. Q. 2 Q. 2 Q. 2 Q. 2 Q. 2 Q. 2 Q	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct.
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. Page A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? Page A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there?	684 684 1 1 1 1	3 A. A. S. S. S. Q. Q. D. A. S. S. Q. Q. D. D. L. A. S. D. Q. Q. D. D. L. A. C. D.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the	684 684 1 1 1 1 1	3 A. A. S. S. Q.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct.
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average.	684 684 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 A.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure?	684 684 11 11 11 11 11 11 11 11 11 11 11 11 11	2 A. A. A. A. B. A. B.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Page Q. Right. Okay. That's listed for the month of June. Page A. Correct. Page Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Page And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. It was there by the monthly figure? That's correct.	684 684 11 11 11 11 11 11 11 11 11 11 11 11 11	2 A. A. A. B.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right?
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Page Q. Right. Okay. That's listed for the month of June. Page A. Correct. Page Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Page Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? That's correct. Now, the next page in Exhibit 312 is the June	684 684 11 11 11 11 11 11 11 11 11 11 11 11 11	2 A A A A A A A A A A A A A A A A A A A	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Cotrect.
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June '97 cheat sheet for Elkins Park from the	684 684 11 11 11 11 11 11 12	3 A. A. S.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was,
Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Now, Exhibit Page Q. Right. Okay. That's by the month of June, not the average. Page Q. Right. Okay. That's listed for the month of June. Page A. Correct. Page Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June Page Page	684 684 11 11 11 11 11 12 22	3 A. A. 6 Q. 7 A. 8 Q. 11 A A A A A A A A A A A A A A A A A A	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was, though?
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June '97 cheat sheet for Elkins Park from the Coopers & Lybrand production; right? A. Yes.	684 684 11 11 11 11 11 11 12 22	3 A. A. 6 Q. 7 A. 8 Q. 9 A. 6 G. 7 R. 8 Q. 0 Q. 1 A. 8 Q. 0 Q. 1 A	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was, though? That's right.
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June '97 cheat sheet for Elkins Park from the Coopers & Lybrand production; right? A. Yes. Q. If we look back at Exhibit 306 the fiscal	684 684 1 1 1 1 1 1 1 1 1 2 2 2 2 2	3 A. A. S.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was, though? That's right. Wouldn't you have thought, though, they would
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June '97 cheat sheet for Elkins Park from the Coopers & Lybrand production; right? A. Yes. Q. If we look back at Exhibit 306 the fiscal year '97 average inpatient net revenue per	684 684 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3 A. A. S.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was, though? That's right. Wouldn't you have thought, though, they would still be interested in knowing the
Page Q. Now, Exhibit A. I'm sorry. That's by the month of June, not the average. Q. Right. Okay. That's listed for the month of June. A. Correct. Q. Now, in Exhibit 312 there is the same fiscal year '97 average in patient net revenue per admission of \$11,169; right? A. Yes. Q. And there is no footnote anywhere on the schedule that would inform the reader that there had been a use of reserves at MCP, is there? A. No, that it wasn't there before either on the average. Q. It was there by the monthly figure? A. That's correct. Q. Now, the next page in Exhibit 312 is the June '97 cheat sheet for Elkins Park from the Coopers & Lybrand production; right? A. Yes. Q. If we look back at Exhibit 306 the fiscal	684 684 11 11 11 11 11 12 22 22 22 22 23 24 25 26 26 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28	3 A. A. S.	Page Coopers & Lybrand was that you went and eliminated the monthly entries with their associated footnotes? Yes, because they look at fiscal years, they didn't look at the months. Right. So that was probably that request is my guess. Coopers isn't auditing results for the months of April, May or June? That's correct. They are just auditing the annual AHERF financial statements? Correct. So they didn't need to know the information about, for instance, inpatient net revenue per admission for the particular months; right? Correct. They want to know what the yearly total was, though? That's right. Wouldn't you have thought, though, they would

Page 687			Page 68
been millions of dollars in reserve	1		report is gross to net revenue trend
adjustments?	2		report the formal name for what we've been
A. I wasn't at the time thinking they didn't	. 3 4		calling the cheat sheets? It may be their formal name. Ours was the
know. I just gave them what they	5		cheat sheets.
specifically asked for.			So you and Dan just called it cheat sheets?
Q. But in the files that you gave them for each		•	Right.
of the DVOG hospitals here in Exhibit 312,			Do you believe that you told someone from
MCP, Elkins Park, Bucks County, St.	9	•	Coopers & Lybrand the substance of what's
Christopher's and Hahnemann, there is no way	10		stated here in this note that we just read?
to tell from this file that there were millions of dollars of uses of reserves to		-	That we analyzed specifically, no. But I
increase net income; right?	12		may have told them that we do review the
	13		cheat sheets every month to look for unusual
A. Right. Q. And you believed that this is the version	14		variances or unusual trends, but I don't
that you gave to Coopers; right?	15		specifically remember saying that as it's
A. If it was on that diskette, most likely it	16		worded here.
came from my audit directory. So I would say	17	Q.	But if Kristen Heinlein had asked you what
yes, but I would have to look at my audit	18	1	this schedule was, why you had given it to
directory to be sure. I don't know if they	19	1	her, is this eventually the explanation you
did something. Maybe they deleted stuff	20	,	would have provided her?
after I gave it to them. I don't know for	21	A.	Most likely I would have said that this is
sure.	22		used to summarize or highlight the months'
MR. RYAN: Let me mark as Exhibit 313	23		results, and it's used as an analytical tool
a version of the same file printed off of the	24		to determine if anything usual had gone on,
Coopers & Lybrand class system with Bates	25		so most likely I would have said something
MANHATTAN REPORTING CORP., A LEGALINK COMPANY	1	MA	ANHATTAN REPORTING CORP., A LEGALINK COMPANY
Page 688			, Page 6
Page 688	1		Page 6
Page 688 numbers CL013380 through 84.	1 2	Q.	like that. Do you remember Kristen Heinlein asking you
numbers CL013380 through 84.		Q.	like that.
-	2	Q.	like that. Do you remember Kristen Heinlein asking you
numbers CL013380 through 84. (Deposition Exhibit 313 marked for	2 3	Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No.
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN:	2 3 4 5 6	Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to	2 3 4 5 6 7	Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes	2 3 4 5 6 7 8	Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in	2 3 4 5 6 7 8 9	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate?
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying	2 3 4 5 6 7 8 9	Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical?	2 3 4 5 6 7 8 9 10	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes.	2 3 4 5 6 7 8 9 10 11 12	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top	2 3 4 5 6 7 8 9 10 11 12 13	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not.
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see	2 3 4 5 6 7 8 9 10 11 12 13 14	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not.
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and	2 3 4 5 6 7 8 9 10 11 12 13 14	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes.
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Q. A. Q.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 19 19 19 19 19 19 19 19 19 19 19 19	Q. A. Q. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for inpatient and outpatient are consistent. For	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Q. A. Q. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out the monthly information with the footnotes
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for inpatient and outpatient are consistent. For rate fluctuate, Dan and Robin will	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Q. A. Q. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out the monthly information with the footnotes explaining the adjustments including the
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for inpatient and outpatient are consistent. For rate fluctuate, Dan and Robin will	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Q. A. Q. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out the monthly information with the footnotes explaining the adjustments including the reserves from Graduate; right?
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for inpatient and outpatient are consistent. For rate fluctuate, Dan and Robin will investigate the reason for the variance?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. A. Q. A. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out the monthly information with the footnotes explaining the adjustments including the reserves from Graduate; right? Yes. Again, if this 312 is what was on the
numbers CL013380 through 84. (Deposition Exhibit 313 marked for identification.) BY MR. RYAN: Q. I apologize. This is a little bit hard to read. Except for certain additional notes that have been placed on the version in Exhibit 313, do you agree that the underlying schedules in 312 and 313 are identical? A. Yes. Q. Now, if you could look at the note in the top of the first page of Exhibit 313, do you see it says, Per conversation with Robin Schaffer, C & L notes that Dan Cancelmi and Robin analyzed this gross to net revenue trend report to determine the rate variances between months sorry to determine if the rate variance between months for inpatient and outpatient are consistent. For rate fluctuate, Dan and Robin will investigate the reason for the variance? 4 A. Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. A. Q. A. A.	like that. Do you remember Kristen Heinlein asking you any questions about these cheat sheets in Exhibits 312 and 313? No. I take it you didn't volunteer to Ms. Heinlein that included in the figures in the cheat sheets were substantial reserves from Graduate? No. Our normal procedure was to give them what they asked for, and they would come to us and ask specific questions, which they did not. Having looked at these various documents, do you believe then that Exhibits 312 and 313 are the versions of the cheat sheets that we previously marked as Exhibits 303 through 309 that you provided to Coopers & Lybrand? Yes. And as we discussed before you gave the cheat sheets to Coopers & Lybrand, you stripped out the monthly information with the footnotes explaining the adjustments including the reserves from Graduate; right?

Page 691			Page 693
diskette that I gave to Amy when she came	1		Park. Do you see that four lines down under
back in '98, I would say yes. I'm just not	2		the heading Other Adjustments there is a row
100 percent who stripped out the months,	3		for transfer for Centennial?
whether it was me or Coopers. If it was on	4	A.	Yes.
that disk, I did it.	5	Q.	Was the Centennial Bond Obligated Group the
Q. Okay. So if Exhibit 312 is a printout from	6		name for the four former Graduate Health
that disk, then you would agree you're the	7		System hospitals located in the Commonwealth
one who removed that information?	8		of Pennsylvania?
A. Yes.	9	A.	Yes.
Q. Before giving the schedule to Coopers &	10	Q.	You see there is an entry there for May '97
Lybrand?	11		of \$1 million?
A. Yes.	12		Yes.
MR. RYAN: Let me mark, please, as	13	Q.	If you turn to the next page, which is the
Exhibit 314 a nine-page unBates stamped	14		schedule for St. Christopher's, do you see
document that I obtained from the bankruptcy	15		there is also a row there for transfer of
trustee's repository from a box called	16		reserves from Centennial?
Schaffer B-24 with bar code K 85208.	1	Α.	Yes.
	18	Q.	And again there is a \$1 million in May '97;
(Deposition Exhibit 314 marked for	19		right?
identification.)	20	Α.	Yes.
	21	Q.	If you turn two pages further on to the next
BY MR. RYAN:	22		to last page of the exhibit you see there the
Q. Do you recognize Exhibit 314, Ms. Schaffer?	23		schedule for Hahnemann inpatient?
A. Vaguely, yes.	24	Α.	Yes.
5 Q. What is it?	25	Q.	Do you see five lines down there is a row for MANHATTAN REPORTING CORP., A LEGALINK COMPANY
MANHATTAN REPORTING CORP., A LEGALINK COMPANY			
Page 692		<u>.</u>	Page 69
Page 692 A. This looks like I'm just trying to	1		Page 69 transfer of reserves from Centennial?
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to	2	Α.	Page 69 transfer of reserves from Centennial? Yes.
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to	2 3	A. Q.	Page 69 transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97?
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to	3 4	A. Q. A.	Page 69 transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes.
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be	2 3 4 5	A. Q.	Page 69 transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for	2 3 4 5 6	A. Q. A.	Page 69 transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks	2 3 4 5 6 7	A. Q. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and	2 3 4 5 6	A. Q. A. Q.	Page 69 transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann.	2 3 4 5 6 7 8	A. Q. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right?
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. O. Even though the schedule is headed for the	2 3 4 5 6 7 8 9	A. Q. A. Q. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes.
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you	2 3 4 5 6 7 8 9	A. Q. A. Q. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes.
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May	2 3 4 5 6 7 8 9	A. Q. A. Q. A. A. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please,
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97?	2 3 4 5 6 7 8 9 10	A. Q. A. Q. A. Q. A. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97?' 4 A. Yes.	2 3 4 5 6 7 8 9 10 11 12	A. Q. A. Q. A. Q. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15,
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. Q. You don't recall providing this or any other	2 3 4 5 6 7 8 9 10 11 12 13	A. Q. A. Q. A. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped
A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments	2 3 4 5 6 7 8 9 10 11 12 13	A. Q. A. Q. A. G. G. A. G. A. G. G. G. A. G. G. G. A. G.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository.
A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you?	2 3 4 5 6 7 8 9 10 11 12 13 14	A. Q. A. Q. A. G. A. G. A. G. G. A. G. G. A. G. G. G. G. A. G.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15,
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? 8 A. I can't even recall today putting this thing	2 2 3 3 4 4 5 5 6 6 7 7 8 8 8 9 10 11 12 13 14 15 16 11 16 1	A. Q. A. Q. A. G. G. A. G. A. G. G. G. A. G. G. G. G. A. G.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository.
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	A. Q. A. Q. A. G. A. G. A. G. G. A. G. G. A. G. G. A. G. G. G. A. G.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.)
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have	2 2 3 3 4 4 5 5 6 6 7 7 8 8 8 9 10 11 12 13 14 15 16 11 16 1	A. Q. A. Q. A. Q. A. Q. A. Q. A. Q. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.)
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have done, but I don't know what it's purpose was	2 2 3 3 4 4 5 5 6 6 7 7 8 8 9 9 100 111 122 123 144 155 110 157 157 157 157 157 157 157 157 157 157	A. Q. Q. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.) """ YMR. RYAN: Now, this is a similar summary of inpatient,
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have done, but I don't know what it's purpose was for or when it was done or why. So I can't	2 2 3 3 4 4 5 5 6 6 7 7 8 8 9 9 100 111 122 133 144 155 110 111 111 111 111 111 111 111 111	A. Q. Q. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.) YMR. RYAN: Now, this is a similar summary of inpatient, outpatient adjustments for Bucks County but
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have done, but I don't know what it's purpose was for or when it was done or why. So I can't say that I gave it to Coopers either.	2 2 3 3 4 4 5 5 6 6 7 7 8 8 9 9 100 111 122 123 144 155 110 157 157 157 157 157 157 157 157 157 157	A. Q. Q. A. A. Q.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.) """ YMR. RYAN: Now, this is a similar summary of inpatient,
A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have done, but I don't know what it's purpose was for or when it was done or why. So I can't say that I gave it to Coopers either. If you could turn to the fifth page of the	2 2 3 3 4 4 5 5 6 6 7 7 8 8 9 9 100 111 122 123 144 155 160 17 17 18 15 15 15 15 15 15 15 15 15 15 15 15 15	A. Q. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.) YMR. RYAN: Now, this is a similar summary of inpatient, outpatient adjustments for Bucks County but with the results filled in through June '97; right?
Page 692 A. This looks like I'm just trying to determine which account number I'm trying to summarize here or someone is trying to summarize. It's a trend from July '96 to June '97 of what appears to be contractual-type reserve adjustments for inpatient and outpatient for MCP, EPPI, Bucks County, Elkins Park, St. Christopher's and Hahnemann. Q. Even though the schedule is headed for the twelve months ending June 30, '97, do you agree that it's only filled out through May '97? 4 A. Yes. 5 Q. You don't recall providing this or any other summary of inpatient/outpatient adjustments to Coopers & Lybrand, do you? A. I can't even recall today putting this thing together, so I'm not sure what I did it for. I know it looks like something I would have done, but I don't know what it's purpose was for or when it was done or why. So I can't say that I gave it to Coopers either.	2 2 3 3 4 4 5 5 6 6 7 7 8 8 9 9 100 111 122 123 144 155 160 17 17 18 15 15 15 15 15 15 15 15 15 15 15 15 15	A. Q. A.	transfer of reserves from Centennial? Yes. And there is a \$5 million amount for May '97? Yes. That's the same \$7 million May portion of the transfer of reserves into the DVOG hospitals contractual allowance accounts that we discussed previously; right? Yes. And on this schedule those are called transfer of reserves from Centennial; right? Yes. MR. RYAN: Now, let me mark, please, as Exhibit 315 a two-page unBates stamped document which I got from Schaffer box B-15, bar code K85197 in the repository. (Deposition Exhibit 315 marked for identification.) Y MR. RYAN: Now, this is a similar summary of inpatient, outpatient adjustments for Bucks County but with the results filled in through June '97;

Page 715		Page 717
fiscal year '98?	1	attached here.
A. Yes. But we also are reclassing this charity	2 (Q. Who prepared the schedule on the first page
care piece which is a big reason why we are	3	of Exhibit 320?
showing so much less bad debt expense. So I	4 .	A. I did.
would have to say a big piece of the reason	5	Q. It's headed Amounts Per Attached Analyses
I'm saying it was somewhat conservative is we	6	Provided to Auditors; correct?
were probably reserving accounts that we now	7	A. Correct.
believed who have been charity care June 30,	8	Q. Amounts of what?
'97, which wouldn't have changed the bottom		A. The issue with PricewaterhouseCoopers coming
line. It just would have changed the bad	10	back in in the fall of or summer of '98 was
debt portion of the financial statements.	11	that they were saying that they did not know
Q. And it would have changed the required bad	12	what this \$99 million was. These amounts are
debt allowance as of June 30, '97?	13	75 well, they are actually \$71 million of
A. Right.	14	the \$99 million that had surfaced at that
Q. That is, it would have meant that you needed	15	point in time. This means that these amounts were
\$10 million or so less than you actually had?	16	disclosed in footnotes on the June 30, '97
A. If this amount on this analysis is accurate,	17 18	roll forwards is what this is saying, and
which I'm sure at the time I believed it was,	19	those roll forwards were provided to the
yes, I would agree with that.	20	auditors.
Q. And you prepared the schedule on the second	1	Q. But only \$50 million of the \$75,103,000 was
page of Exhibit 319; right? A. Yes. I did prepare the schedule. I just	22	disclosed as transfer of reserves from
A. Yes. I did prepare the schedule. I just can't remember the exact methodology for	23	Graduate; right?
calculating that reclass, and that may or may	24	A. Yes. Specifically on the roll forward in the
not have been my idea of how it should have	25	footnote, yes. That's because again of the
MANHATTAN REPORTING CORP., A LEGALINK COMPANY		MANHATTAN REPORTING CORP., A LEGALINK COMPANY
Page 710 been calculated. I just can't remember. It	1	Page 71 remaining \$25 million, not all of it came
Page 710 been calculated. I just can't remember. It could have been, but I don't know.	1 2	Page 71 remaining \$25 million, not all of it came from Graduate. And I didn't take the time to
Page 716 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as	1 2 3	Page 71 remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote
Page 710 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers	1 2 3 4	Page 71 remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further.
Page 716 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60.	1 2 3 4 5	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to
Page 710 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60.	1 2 3 4	Page 71 remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further.
Page 716 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for	1 2 3 4 5 6	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll
Page 716 been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.)	1 2 3 4 5 6 7	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.)	1 2 3 4 5 6 7 8 9	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct.
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.)	1 2 3 4 5 6 7 8 9	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer?	1 2 3 4 5 6 7 8 9	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer?	1 2 3 4 5 6 7 8 9 10 11 12 13	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right?
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page	1 2 3 4 5 6 7 8 9 10 11 12 13 14	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct.
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right?
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct.
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't think any of us had really quantified until	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we saw before that the other column for June '97
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't think any of us had really quantified until \$99 until that time.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't think any of us had really quantified until \$99 until that time. This was put together to show them	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we saw before that the other column for June '97 is netted, so that you can't even tell what
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't think any of us had really quantified until \$99 until that time. This was put together to show them that they did know of \$75 million of the 99	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we saw before that the other column for June '97 is netted, so that you can't even tell what portions of the totals, in fact, are
been calculated. I just can't remember. It could have been, but I don't know. MR. RYAN: Let me mark, please, as Exhibit 320 a document with Bates numbers DRB-RS-0048 through 60. (Deposition Exhibit 320 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 320, Ms. Schaffer? A. Yes. Q. What is it? A. This was a document that this first page was a document that was prepared for PricewaterhouseCoopers when they came back in 1998 to try to show PricewaterhouseCoopers that they were aware of the \$99 million figure that had then surfaced, which I don't think any of us had really quantified until \$99 until that time. This was put together to show them	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	remaining \$25 million, not all of it came from Graduate. And I didn't take the time to go through and break out that footnote further. Q. So all you did to prepare this was simply to go through and identify on the bad debt roll forwards the totals of amounts disclosed as reserves from Graduate plus amounts disclosed as year-end shortfall adjustments? A. Correct. Q. As we have seen before, some of the year-end shortfall adjustments came from Graduate and other portions came from within DVOG; right? A. That's correct. Q. And some portions of the year-end shortfall adjustment were expensed and other portions weren't; right? A. That's correct. Q. And at least at Hahnemann Hospital I think we saw before that the other column for June '97 is netted, so that you can't even tell what portions of the totals, in fact, are shortfall adjustments and what portions are

	Page 71	9	Page	e 721
1 \$100,000 that's really	netted in there is the	1	So I am today under the impression	
2 transfer between in an	d outpatient, which	2	I was then and I am now that they knew	
doesn't really affect th		3	what the \$21 million was. But no, they did	
there is that million, 9		4	not ever ask me and I did not ever tell them	
to outpatient.		5	specifically what it was.	
	there was that other	6	Q. And don't really know whether they really	
	ry that I don't remember	7	knew or not, right?	
	was. But that was not	8	A. Other than inferring that they did, no.	
pulled out of here sepa		9	MR. RYAN: Let's change for just one	
0 reason. It was probabl		10	minute, switch tapes.	
1 Q. So you would agree	then that the documents	12	(There was a recess in the proceedings.)	
2 attached to the covering	ng schedule in Exhibit	13	(There was a recess in the proceedings)	
3 320 could not be said 4 million in reserve tran		14	THE VIDEOGRAPHER: We are now going	
		15	off the record. The time on the screen is	
	nat question because I	16	1:53.	
6 A. It's hard to answer th7 believed then that Co	opers knew the \$71	17		
8 million. I believe that		18	(There was a recess in the proceedings.)	
9 million was from Grad		19		
O Just because a de		20	THE VIDEOGRAPHER: We are now back on	
footnote follows a de		21	the record. The time on the screen is 1:56.	
entry doesn't change t	the issue in my mind.	22	MR. RYAN: Let me mark, please, as	
So if you're going to o	on the surface just say	23	Exhibit 321 a document with Bates numbers	
because it doesn't say	transfers from	24	DRB-RS-0072 through 85.	
25 Graduate, they didn't	know about it, the	25	MANHATTAN REPORTING CORP., A LEGALINK COMPANY	
MANHATTAN REPOR	(TING CORP., A LEGALINA COMPAN			
MANHATTAN REPOR	Page 7	720	· Pag	ge 72:
MANHATTAN REPOR answer would be yes.	Page 7	720	Pag (Deposition Exhibit 321 marked for	ge 72:
MANHATTAN REPOR answer would be yes. The fact that it	Page 7 was footnoted and	120	· Pag	ge 72.
1 answer would be yes. 2 The fact that it 3 called a shortfall adju	Page 7 was footnoted and astment and I was under	720 1 2 3	Pag (Deposition Exhibit 321 marked for identification.)	ge 72.
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t	Page 7 was footnoted and istment and I was under they knew about the \$71	120	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN:	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It	720 1 2 3 4	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN:	ge 72.
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'r	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess.	720 1 2 3 4 5	Pag (Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it?	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you't 7 O. And you yourself no	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from	720 1 2 3 4 5 6	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'n Q. And you yourself no Coopers that an addi	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of	720 1 2 3 4 5 6 7	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate flowance accounts, did you?	720 1 2 3 4 5 6 7 8	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'n Q. And you yourself no Coopers that an addi reserves had been tra to DVOG bad debt al No one from Coope	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate llowance accounts, did you? ers ever asked me about that	720 1 2 3 4 5 6 7 8 9 10	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'r Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al No one from Coope June footnote, so it y	Page 7 was footnoted and istreet and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate llowance accounts, did you? ers ever asked me about that was my impression that	720 1 2 3 4 5 6 7 8 9 10 11 12	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al 11 A. No one from Coope 12 June footnote, so it to 13 they were very much	Page 7 was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that in aware of that just as	720 1 2 3 4 5 6 7 8 9 10 11 12 13	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger.	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al 11 A. No one from Cooper 12 June footnote, so it we they were very much 14 they were of the 50 by	Page 7 was footnoted and istreet and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate llowance accounts, did you? ers ever asked me about that was my impression that	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al 11 A. No one from Coope 12 June footnote, so it w 13 they were very much 14 they were of the 50 to 15 me.	was footnoted and astract and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from sitional \$21 million of ansferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I	gge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al 11 A. No one from Coope 11 June footnote, so it w 12 they were very much 13 they were of the 50 to 15 me. 16 Q. And you never told	Page 7 was footnoted and astment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of ansferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked I them; right?	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry.	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'n Q. And you yourself n Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Coope June footnote, so it v they were very much they were of the 50 t me. And you never told The And you never told I never went into the	Page 7 was footnoted and astment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of ansferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked I them; right? heir room and said I need	720 1 2 3 4 5 6 7 8 9 10 11 12 13 144 15 16 17	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think	ge 72
1 answer would be yes. 2 The fact that it 3 called a shortfall adju 4 the impression that t 5 million, my answer is 6 depends on who you'n 7 Q. And you yourself no 8 Coopers that an addi 9 reserves had been tra 10 to DVOG bad debt al 11 A. No one from Coope 11 they were very much 12 they were very much 13 they were of the 50 to 14 me. 16 Q. And you never told 17 A. I never went into the 18 to tell you somethin	Page 7 was footnoted and astment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from ational \$21 million of ansferred from Graduate allowance accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked I them; right? heir room and said I need ag, there is another 21,	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'n Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Coope June footnote, so it v they were very much they were of the 50 t me. And you never told The coopers of the so to tell you somethin to tell you somethin outlier that it	was footnoted and astream and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from attional \$21 million of ansferred from Graduate accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked I them; right? their room and said I need ag, there is another 21, needed to do that.	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'r Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Cooper June footnote, so it were they were very much they were of the 50 to me. And you never told A. I never went into the to tell you somethin no. I didn't think I is And it's possible the	was footnoted and stiment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from stitional \$21 million of ansferred from Graduate slowance accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked it them; right? their room and said I need ag, there is another 21, needed to do that. The said they didn't ask you	720 1 2 3 4 5 6 7 8 9 10 11 12 13 144 15 16 17 18 19	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income adjustments in May and June.	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you'r Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Cooper June footnote, so it were they were very much they were of the 50 to me. And you never told A. I never went into the to tell you somethin no. I didn't think I is And it's possible the because they didn't ke	was footnoted and astement and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from attional \$21 million of ansferred from Graduate accounts, did you? ers ever asked me about that was my impression that a aware of that just as because no one ever asked I them; right? their room and said I need ag, there is another 21, needed to do that. The tat they didn't ask you know?	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income adjustments in May and June. The next page is an actual trial balance for Graduate Hospital that shows what	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you't Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Coope June footnote, so it v they were very much they were of the 50 t me. And you never told I never went into the to tell you somethin no. I didn't think I is And it's possible the because they didn't k I would hope that t	was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that in aware of that just as because no one ever asked If them; right? neir room and said I need ig, there is another 21, needed to do that. isat they didn't ask you know? they would want to know	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income adjustments in May and June. The next page is an actual trial balance for Graduate Hospital that shows what these accounts would have looked like. This	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you't Q. And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Coope June footnote, so it v they were very much they were of the 50 t me. And you never told I never went into the to tell you somethin no. I didn't think I is And it's possible the because they didn't k I would hope that t	was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that in aware of that just as because no one ever asked If them; right? neir room and said I need ig, there is another 21, needed to do that. isat they didn't ask you know? they would want to know impression is because	720 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income adjustments in May and June. The next page is an actual trial balance for Graduate Hospital that shows what these accounts would have looked like. This one happens to be as of May 31, '97. Again,	ge 72
answer would be yes. The fact that it called a shortfall adju the impression that t million, my answer is depends on who you't And you yourself ne Coopers that an addi reserves had been tra to DVOG bad debt al A. No one from Cooper June footnote, so it were they were very much they were of the 50 to me. And you never told A. I never went into the to tell you somethin no. I didn't think I is And it's possible the because they didn't key and it's possible the because they didn't key they didn't ask, they wery big amount of	was footnoted and istment and I was under they knew about the \$71 s going to be no. It re asking, I guess. ever told anyone from itional \$21 million of insferred from Graduate flowance accounts, did you? ers ever asked me about that was my impression that in aware of that just as because no one ever asked If them; right? neir room and said I need ig, there is another 21, needed to do that. isat they didn't ask you know? they would want to know impression is because	120 1 2 3 4 5 6 6 7 8 9 100 111 122 13 144 155 166 177 188 199 200 21 22 23 24 25	(Deposition Exhibit 321 marked for identification.) BY MR. RYAN: Q. Do you recognize Exhibit 321, Ms. Schaffer? A. Yes. Q. What is it? A. Again, this is something that was prepared specifically for PricewaterhouseCoopers when they came back in the summer of '98. The first page is a summary of all of the accounts that this \$28.3 million was sitting in our general ledger. It shows what the balance was as of May and what the balance was as of June, I believe. Let me just make sure. I'm sorry. This is actually not the balance. I think this is the accounts where the 28.3 million came from when we recorded the net income adjustments in May and June. The next page is an actual trial balance for Graduate Hospital that shows what these accounts would have looked like. This one happens to be as of May 31, '97. Again,	

		P 747	2000	
2 3 4	I, ROBIN SCHAFFER, have read the foregoing pages of my deposition given on Tuesday, July 23, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	Page 747		
5 6 7 8 9 10 11 12 13				
1: 1: 1: 1: 1: 1: 2: 2:	In all other respects, the transcript is true and correct. ROBIN SCHAFFER			
	Subscribed and sworn to before me this Jay of, 2002. Notary Public AKF Reference No. Cg71172 MANHATTAN REPORTING CORP., A LEGALINK COMPANY			
				2017.
				150° (10%)

49 (Page 747)

Page 831 Page 829 they're not disclosing information even to us 1 sometimes, and things like that, letting them A. Yes. 1 Q. To provide information in response to requests? 2 know that they need to go over to patient 2 3 accounting and find out what's going on. A. 3 Q. Is it your belief that information was provided 4 Q. And what was Amy Frazier's reaction when you 4 5 to Coopers & Lybrand in response to any told her this, about the problems you were 5 6 requests they made to members of the general having with billing? 6 7 A. I believe she was concerned about it, because accounting staff? 7 8 she did -- like I said, Coopers did have that A. Yes. 8 Q. Did you -- if Coopers & Lybrand made a request 9 special audit done which was very unusual. 9 10 to you for information, before you would turn Q. And when was that special audit? 10 11 the information over, did you have to clear it A. I believe that had to have been -- it was some 11 time -- it was a result of the '96 audit, so it with anybody? 12 13 was some time in probably around the June, July A. No. 13 14 Q. So there wasn't some mandate or order that '96 time frame or thereafter. I don't remember 14 15 said, well, before you give any information to exactly. 15 16 Coopers, somebody else has to see it? Q. Would you have told Amy Frazier on more than 16 17 one occasion about the problems that you A. No. 17 18 Q. Would it be fair then to say that Coopers had perceived existed with billing? 18 complete access to any information they wanted 19 A. Normally, because that was what I dealt with 19 20 from the general accounting staff? was receivables, any time I would talk to Amy 20 21 about receivables, issues would come up, and I A. Yes. 21 22 would talk about problems I was having with MR. RYAN: Objection. 22 Q. Do you have any reason to believe, as you sit 23 patient accounting or just things in general 23 24 here today, that members of the general that I had concerns about. So it was a very 24 accounting staff tried to keep information from 25 25 Page 832 Page 830 open discussion normally about the issues with 1 patient accounting between Amy and myself. Coopers? 1 2 A. I would say it's the complete opposite. Q. And the issue with billing was -- I take it 2 3 Q. And what does that mean? that was a chronic problem? 3 4 A. We probably, from my experience, provided 4 A. Yes. Coopers with more information than any other 5 Q. So, in other words, this is something that you 5 audit I've ever seen. We went to them and told 6 would talk with Amy over a period of the 6 7 them there was problems with billing, which various audit years, is that right? 7 8 I've never seen that done before in any other A. That's correct. 8 9 Q. I want to look at some exhibits if we could. audit I've been part of. 9 10 Q. When you went to Coopers and told them that First of all, let's take a look at Exhibit 289. 10 11 there was problems with billing, what -- first Ms. Schaffer, in particular, we're 11 12 of all, who did you bring that -- to whom's going to be talking about Schedules L and M on 12 attention did you bring the problems with 13 289, but before we do, and just for the purpose 13 14 of the record, can you explain to me what billing? 14 15 A. Normally, it was Amy Frazier. Exhibit 289 is? 15 Q. And what would you have told Amy Frazier were 16 A. Yes. This is Bucks County's bad debt 16 17 calculations for June 30, 1997, and the last the problems with billing? 17 A. The accounts at gross, issues like that. I 18 two pages are the roll-forwards of the bad debt 18 19 mean, things that are telling the auditors that allowance account for in and outpatient for 19 20 you have problems with your financial Bucks County. 20 21 statements. You've got accounts that aren't Q. So if we look at Schedule L, that is the 21 22 being contractualized. You've got accounts summary of reserves for bad debt, is that 22

23

24

25

correct?

A. Yes.

that aren't being collected. You've got a

cooperating with general accounting, and

patient account department that's not

23

24

25

į.		Page 83	.	Press 025
	O And it al	•		Page 835
1 2		runs for a period of time July	1	and, in particular, the \$2.7
3	through June, i	is that right?	2	,·
			3	
4		he first column is the beginning	4	e = 10 any souly from coopers ever indicate to you
5	balance, is that	correct?	5	the state of the s
6	A. Yes.		6	tes minor oner entry.
7		second column is what?	7	110.
8		olumn is the actual write-offs that	8	Q. If we look over there, there's a note, correct?
9		ting would initiate through their	9	
10		king an account and writing it	10	Q. And that actually that's not a note you put
11	off to bad debt		11	on the schedule, is it?
12		recovery column means what?	12	A. No.
13		ounts that had been written off to	13	a coposo a by orana note, is that right.
14		re later collected and put back	14	A. Yes, it is.
15	into the bad de		15	the state of the s
16		column other, is there not?	16	the bad debt allowance according to the new
17	A. Yes.		17	methodology developed in fiscal year '97 by Dan
18	Q. And to identif	y the other, there are footnotes	18	Cancelmi and Robin Schaffer. Do you see that?
19		would then have to go down and	19	A. Yes.
20	read the footno	tes, right?	20	Q. And that new methodology is what we talked
21	A. Yes.		21	about earlier, is it not?
22		at the entry for June under the	22	A. Yes.
23		e see there's a \$2.9 million	23	Q. The loss percentage figures that Mr. Cancelmi
24	entry, right?		24	came up with in July, August, September of
25	A. Yes.		25	1996?
		Page 834		Page 836
1		tand what the \$2.9 million entry	1	Page 836 A. Yes.
2	is, you have to	•	1 2	A. Yes.
2	is, you have to right?	tand what the \$2.9 million entry	1 -	A. Yes.Q. Let's turn over, if we could, to the next page
2 3 4	is, you have to right? A. Correct.	tand what the \$2.9 million entry go to Footnote I, is that	2	A. Yes.Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a
2 3 4 5	is, you have to right? A. Correct. Q. And if we go o	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites	2 3	A. Yes.Q. Let's turn over, if we could, to the next page
2 3 4 5 6	is, you have to right? A. Correct. Q. And if we go of that it includes (tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall	3 4	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it
2 3 4 5 6 7	is, you have to right? A. Correct. Q. And if we go o	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall	2 3 4 5	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes.
2 3 4 5 6 7 8	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the control of the con	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct?	2 3 4 5 6	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not?
2 3 4 5 6 7 8 9	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the control of the con	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct?	2 3 4 5 6 7	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this
2 3 4 5 6 7 8 9	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is the control of the	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? e it that what has been marked as in particular, this Schedule	2 3 4 5 6 7 8	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it?
2 3 4 5 6 7 8 9 10	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the control of the con	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as , in particular, this Schedule ument that was provided to	2 3 4 5 6 7 8 9	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes.
2 3 4 5 6 7 8 9 10 11 12	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the control of the con	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as , in particular, this Schedule ument that was provided to	2 3 4 5 6 7 8 9	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt,
2 3 4 5 6 7 8 9 10	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the control of the con	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as in particular, this Schedule ument that was provided to rand?	2 3 4 5 6 7 8 9 10	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes.
2 3 4 5 6 7 8 9 10 11 12	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment) and the Exhibit 289 and L, this is a docut Coopers & Lyb A. Yes. Q. Did anybody for the coopers of the adjustment of the adjustment of the coopers of the adjustment of the adju	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall that correct? etit that what has been marked as in particular, this Schedule timent that was provided to rand? from Coopers & Lybrand come back	2 3 4 5 6 7 8 9 10 11 12	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right?
2 3 4 5 6 7 8 9 10 11 12	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment) and the Exhibit 289 and L, this is a docut Coopers & Lyb A. Yes. Q. Did anybody for the coopers of the adjustment of the adjustment of the coopers of the adjustment of the adju	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as in particular, this Schedule ument that was provided to rand?	2 3 4 5 6 7 8 9 10 11 12 13	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column,
2 3 4 5 6 7 8 9 10 11 12 13 14	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is the adjustment and	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall that correct? etit that what has been marked as in particular, this Schedule timent that was provided to rand? from Coopers & Lybrand come back	2 3 4 5 6 7 8 9 10 11 12 13 14	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is the adjustment and	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as an in particular, this Schedule inferment that was provided to rand? from Coopers & Lybrand come back provide information as to what he shortfall adjustment?	2 3 4 5 6 7 8 9 10 11 12 13 14 15	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, and a distribution and a distribution and ask you to provide a distribution and	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as , in particular, this Schedule ument that was provided to rand? from Coopers & Lybrand come back provide information as to what he shortfall adjustment? at paragraph or Footnote I, it	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is the adjustment and	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as an in particular, this Schedule inferment that was provided to rand? from Coopers & Lybrand come back provide information as to what he shortfall adjustment?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is a doctoopers & Lybhan L, this is a doctoop	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as , in particular, this Schedule ument that was provided to rand? from Coopers & Lybrand come back provide information as to what he shortfall adjustment? at paragraph or Footnote I, it	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? It that what has been marked as an in particular, this Schedule ument that was provided to rand? From Coopers & Lybrand come back provide information as to what he shortfall adjustment? at paragraph or Footnote I, it to bad debt reserve reclass. Do	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes. Q. And in order to understand what that entry is,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites (\$59,000) shortfall hat correct? e it that what has been marked as , in particular, this Schedule ument that was provided to rand? from Coopers & Lybrand come back provide information as to what he shortfall adjustment? at paragraph or Footnote I, it	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, is	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? It that what has been marked as an in particular, this Schedule to the second come back brovide information as to what the shortfall adjustment? It paragraph or Footnote I, it to bad debt reserve reclass. Do	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes. Q. And in order to understand what that entry is, where do you have to turn to? A. To Footnote H.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the adjustment, and a document and a document and ask you to provide and ask	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? It that what has been marked as an in particular, this Schedule to the second come back brovide information as to what the shortfall adjustment? It paragraph or Footnote I, it to bad debt reserve reclass. Do	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes. Q. And in order to understand what that entry is, where do you have to turn to?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the second of the second	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? It that what has been marked as an in particular, this Schedule to the second come back brovide information as to what the shortfall adjustment? It paragraph or Footnote I, it to bad debt reserve reclass. Do	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes. Q. And in order to understand what that entry is, where do you have to turn to? A. To Footnote H. Q. And what does Footnote H well, let me change that.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	is, you have to right? A. Correct. Q. And if we go of that it includes (adjustment, is the second of the second	tand what the \$2.9 million entry go to Footnote I, is that lown to Footnote I, it recites \$59,000) shortfall hat correct? It that what has been marked as in particular, this Schedule ment that was provided to rand? From Coopers & Lybrand come back provide information as to what he shortfall adjustment? at paragraph or Footnote I, it to bad debt reserve reclass. Do from Coopers make inquiry as to that?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	 A. Yes. Q. Let's turn over, if we could, to the next page which is Schedule M, and, again, this is a summary of reserves for Bucks County, is it not? A. Yes. Q. Whereas, Schedule L related to inpatient, this relates to outpatient, doesn't it? A. Yes. Q. And, again, it's the reserves for bad debt, right? A. Yes. Q. And like Schedule L, it has an other column, does it not? A. Yes. Q. And if we look under the other column for the June entry, there appears to be an entry for \$4.5 million, right? A. Yes. Q. And in order to understand what that entry is, where do you have to turn to? A. To Footnote H. Q. And what does Footnote H well, let me change

-	Poss 090	
	Page 989	
1	CERTIFICATE	
2) 66.	
3	, a court reporter and	
4	y = ==== to me common wearm or	
5	, in the month of the state of the	
6	and the state of t	
7	testify to the truth; that the foregoing deposition	
8		
9		
10		
11		
12		
13		
14	the contract of the contract o	
15		
16		
17		
18		
19		
20		
21		
22	The second secon	
	, , ca, c.	
23	,	
24		
25	Notary Public	
	Page 990	,
1	COMMONWEALTH OF PENNSYLVANIA) ERRATA	
	•	•
1 2	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET	·
2	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3,	·
3	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any,	·
2 3 4	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	•
2 3 4 5 6	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any,	·
2 3 4 5 6 7	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	·
2 3 4 5 6 7 8 9	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	•
2 3 4 5 6 7 8 9 10	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9 10 11 12	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9 10 11 12 13 14 15	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9 10 11 12 13 14	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections:	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I. ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me thisday of, 2002.	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me this	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I. ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me thisday of, 2002.	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me this	
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	COMMONWEALTH OF PENNSYLVANIA) ERRATA COUNTY OF ALLEGHENY) SHEET I, ROBIN R. SCHAFFER, have read the foregoing pages of my deposition given on Thursday, October 3, 2002, and wish to make the following, if any, amendments, additions, deletions or corrections: Page/Line Should Read Reason for Change In all other respects, the transcript is true and correct. ROBIN R. SCHAFFER Subscribed and sworn to before me this	

Scharf Dep.

In The Matter Of:

AHERF v. PRICEWATERHOUSECOOPERS, L.L.P.

JOSEPH SCHARF March 25, 2003

MANHATTAN REPORTING CORP. 420 Lexington Avenue - Suite 2108 New York, NY 10170 PH: 212-557-7400 / FAX: 212-692-9171

SCHARF, JOSEPH